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CFS 1
Welcome, Introduction and Administration
Student Manual
I. INTRODUCTION

Welcome to the Command Financial Specialist Training Course! In this first training chapter, we will have participant introductions; review course administration, the purpose of the training and the course agenda; and complete the course pretest. As we proceed through today’s topics, you will become familiar with the Command Financial Specialist Program and understand more fully why you are here and why your command has chosen you to be one of its representatives.

Chapter Correlation to Common CFS Task Areas:

1. Education and Training: Introduces you to major topic areas via agenda review. Training techniques include active participation, chapter review, lecture, and student introductions.

2. Information and Referral: Introduces you to major topic areas via agenda review and the pretest. Introduces students to each other as possible referral resources.


II. LEARNING OBJECTIVES

N/A (this is an administrative chapter)

III. REFERENCES

Navy OPNAVINST 1740.5D

Marine Corps MCO 1700.37

Army DoDI 1342.22-D

Coast Guard COMDTINST 1740.8 (series)


IV. CONTENT

Course Terminal Objectives

Upon completion of this course, learners should be able to:

• Construct, organize and/or manage a comprehensive, proactive PFM program at the command level (which may be measured by quarterly reporting requirements).
• Conduct effective PFM education and training using the PFM Standardized Curriculum and Touchpoint Training materials.
• Provide appropriate information and referral resources for clients evidenced by participation in class role-play and case studies.
• Conduct effective one-on-one counseling/coaching for clients using Solution-Focused Financial Counseling tools and techniques.

Financial Training Topics

The course will provide training designed to teach you how to be a CFS and training designed to teach you how to use the Touchpoint Training materials.

Specific topics covered during the Command Financial Specialist Training are:

<table>
<thead>
<tr>
<th>Core Curriculum:</th>
<th>Touchpoint Curriculum:</th>
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<tr>
<td>CFS 1 Welcome, Introduction and Administration</td>
<td>TC 1 Introduction to Touchpoint Curriculum</td>
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<td>TC 5 Vesting in the TSP</td>
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<td>CFS 15 Developing Your Program</td>
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</table>

Financial topics not covered in the CFS Course are:

- Banking and Financial Services
- Car Buying
- Consumer Awareness
- Credit Management
- Gambling Awareness
- Home Buying/Renting
- How to Survive the Holidays Financially
- Military Pay Issues
- Paying for College
- Paying off Your Student Loans
- Planning for Your Retirement
- Raising Financially Fit Kids
- Renting
- Saving and Investing
- Smart Transition Planning
- Your Insurance Needs
- Vacation Planning
- First Duty Station
- Post-Deployment
- Thrift Savings Plan
Meet Your Classmates

Pair up with another class member and interview them for answers to the following questions:

1. Name:

2. Command:

3. Job or position at command:

4. What do you hope to learn in CFS training?

5. How will you use what you learn during the course?

6. What non-military financial experience do you bring to the classroom?
Student Manual

Your manual is separated into two sections. The first section includes the CFS chapters that provide information on how to be a CFS. These chapters are numbered as CFS 1, CFS 2, etc. The order follows course topics except CFS 6 which is presented later in the course, but conveniently located in this Student Manual next to CFS 5 for ease of use during the counseling role-play. The second section includes the Touchpoint chapters that introduce learners to the Touchpoint Training materials. These chapters are numbered as TC 1, TC 2, etc. The order follows the roadmap to financial success (as discussed later in the course). This Student Manual is your workbook for the class, and it is yours to keep. We will be actively using the pages in this workbook to complete both in-class activities and after-class homework. Please make notes as we proceed through the information on each topic so that you can refer to them later as needed.

Each CFS chapter will be structured as follows:
I. Introduction
II. Learning Objectives
III. References
IV. Content

Each TC chapter will be organized as follows:
I. Introduction
II. Learning Objectives
III. References
IV. Acronyms and Abbreviations
V. Touchpoint Toolbox
VI. Additional Learning and Activities

The Student Manual has been developed as a standardized workbook and companion to the CFS training class. Some of the material is generic in nature. You should use this workbook to make notes on your military branch, local information, and any updated information provided to you during the course.

To facilitate the use of these instructional materials, the following terms and acronyms will be used:

- Command Financial Specialist Training ......................................................... CFST
- Command Financial Specialist ................................................................. CFS
- Command Financial Specialist Instructor Guide ....................................... IG
- Command Financial Specialist Training Instructor .................................... Instructor
- Command Financial Specialist Training Participants ............................... Learners
- Command Financial Specialist Training Student Manual ....................... SM
- Financial Planning Worksheet ................................................................. FPW
- Personal Financial Management Standardized Curriculum ..................... PFMSC
- Personal Financial Management .............................................................. PFM
- Touchpoint Curriculum ........................................................................... TC
Common CFS Task Areas

The Personal Financial Management program has three common CFS task areas across military branches: education and training, information and referral, and counseling/coaching. These are woven throughout the course:

Chapter Correlation to Common CFS Task Areas:

1. **Education and Training:** This topic is covered both through modeling and direct training on the topic. PFM Touchpoint Curriculum modules are used directly throughout the course and both the PFM Standard Curriculum (PFMSC) and Touchpoint Training material will be provided to you to use both as a resource for content and for program development. Although training techniques and Touchpoint Training materials are modeled, the PFMSC modules are not modeled. However, you are provided with all the training materials you need to conduct successful PFM education and training in accordance with your branch of service’s policy. Instructional techniques will be reviewed to reinforce further the techniques that have been modeled.

2. **Information and Referral:** This topic is woven throughout the course and most topics will include sources of help. Guest speakers are invited from common referral resources such as the Navy-Marine Corps Relief Society (NMCRS), Army Emergency Relief (AER), Coast Guard Mutual Assistance (CGMA), Fleet and Family Support Center (FFSC), Marine-Corps Community Services (MCCS) Marine & Family Programs, Army Community Service (ACS), and Coast Guard Office of Work-Life. The topic is supplemented with dedicated resource training where students are given mini-case studies. Other resources presented during the course can include speakers from the local disbursing or admin office, Legal Services Office, nonprofit debt-management counseling agencies, exchange, credit-reporting agencies, TRICARE, base housing, the Exceptional Family Member or Special Needs program, and experienced Command Financial Specialists. You will have been exposed to a wide variety of referral resources either in person or through case study by the end of the course.

3. **Counseling/Coaching:** You will be exposed to counseling/coaching tools and techniques throughout the course and during counseling role-plays. Solution-Focused Financial Counseling and an 8-Step counseling cycle are introduced early in the training, and specific skills in Solution-Focused Financial Counseling are practiced via lecture and role-plays.

The introduction for each CFS chapter includes a “Chapter Correlation to Common CFS Task Areas” section. To locate this section, look for this symbol at the beginning of each chapter (see the CFS 1 Welcome, Introduction and Administration example on page 1-1).
**DVDs or DoD Website**

All of the Personal Financial Management Standardized Curriculum (PFMSC) materials and Touchpoint Training materials will be provided to you for your future use. You will also be provided a variety of materials to assist you in your job as a CFS. These items are yours to keep at your command. They will provide you with additional reference information and training materials, as well as forms used for the CFS Program. In addition to these materials being available on your PFMSC DVD, you can also find them on the DoD website or via your Installation Family Support Center’s CFS Instructor.

**Learner-Centered Activities**

Command Financial Specialist Training is conducted using many different training techniques. As adult learners, you are expected to participate in all aspects of the training. You are encouraged to speak openly and to respect each other’s opinions. Your full participation in all class activities, including practical applications to be done after class, is vital to the success of this training.

**Dot-com Disclaimer**

During the course, you will hear references to a variety of websites. These sites are for educational purposes only. No warranty is made regarding their accuracy or quality, nor does using the information on these sites constitute an endorsement of the site, its products or its services. Other sites with similar information may be available and may prove equally useful.
CFS Course Evaluation

CFS Training — Monday: “Personal Financial Management”

(Dates: ________________ )

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What was most impactful from today's modules?
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Please list any suggestions on how best to improve the content or organization of the material presented:
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Thank you for your feedback so we can provide the best course possible.
CFS Course Evaluation

CFS Training — Tuesday: “Referral Resources”

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What was most impactful from today’s modules?

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Please list any suggestions on how best to improve the content or organization of the material presented:

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Thank you for your feedback so we can provide the best course possible.
## CFS Course Evaluation

### CFS Training — Wednesday: “Touchpoint Day 1”

(Dates: ________________ )

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| Presentation 1: Vesting in the TSP (TC 5)       |                |       |                |          |                   |
| Instructor was knowledgeable                    |                |       |                |          |                   |
| Content was clear and understandable            |                |       |                |          |                   |

| Presentation 2: Entitlement to Continuation Pay (TC 6) |    |       |                |          |                   |
| Instructor was knowledgeable                     |    |       |                |          |                   |
| Content was clear and understandable             |    |       |                |          |                   |

| Presentation 3: Permanent Change of Station (TC 3) |    |       |                |          |                   |
| Instructor was knowledgeable                     |    |       |                |          |                   |
| Content was clear and understandable             |    |       |                |          |                   |

| Presentation 4: Promotion (TC 4)                  |    |       |                |          |                   |
| Instructor was knowledgeable                     |    |       |                |          |                   |
| Content was clear and understandable             |    |       |                |          |                   |

| Morgan Wayne Case Study Three (CFS 8)            |    |       |                |          |                   |
| Instructor was knowledgeable                     |    |       |                |          |                   |
| Content was clear and understandable             |    |       |                |          |                   |

What was most impactful from today’s modules?

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Please list any suggestions on how best to improve the content or organization of the material presented:

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**Thank you for your feedback so we can provide the best course possible.**
# CFS Course Evaluation

**CFS Training — Thursday: “Touchpoint Day 2”**

(Dates: ____________________)

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What was most impactful from today’s modules?

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Please list any suggestions on how best to improve the content or organization of the material presented:

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Thank you for your feedback so we can provide the best course possible.
CFS Course Evaluation

CFS Training — Friday: “Program Development”

(Dates: ________________________)

Survivor Benefit Plan (CFS 14)
Instructor was knowledgeable – Instructor Name
Content was clear and understandable

Developing Your Program (CFS 15)
Instructor was knowledgeable
Content was clear and understandable

Effectiveness of this course in preparing me to be a CFS
My level of knowledge before this course
My level of knowledge after this course

What was most impactful from today’s modules?
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What are 1-3 things about the CFS course that could be improved to better support learning?
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Please indicate if/how your outlook toward personal finance has changed because of this course:
________________________________________________________________________________________
________________________________________________________________________________________
________________________________________________________________________________________

What parts of this course have best prepared you for providing CFS duties at your command?
(consider both pre-work and course work)
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Thank you for your feedback so we can provide the best course possible.
Daily Homework

Pre-Work (completed prior to the course)
   a. Completely read your Service-Specific PFM Program Policy (in Appendix A).
   b. Completely read your Service-Specific Indebtedness Policy (in Appendix B).

Day One
   a. Complete *How Do You Rate as a Money Manager?* and the *Financial Values Clarification* sheets on pages 5-12 and 5-13 of the Student Manual.
   b. Print your personal credit report and bring it to class on Tuesday morning.
   c. Answer questions in CFS 13 *Instructional Techniques* and read chapter.
   d. Begin your *Personal Financial Planning Worksheet*, to be handed in Wednesday morning.
   e. If you have a laptop with Microsoft Excel available, please bring it to class the rest of the week.

Day Two
   a. FPW: Complete your *Financial Planning Worksheet*, to be handed in first thing in the morning.

Day Three
   a. Read CFS 5 *Financial Counseling* and CFS 6 *Financial Counseling Application* (pay special attention to Role-Play: Jordan Dough Student Manual Instructions on page 6-10 in preparation for the counseling Role-Play).

Day Four
   a. Complete the Plan of Action and Milestones on page 15-9 of your Student Manual. This should reflect your plans for functioning as a CFS when you return to your command.
   b. Reminder: Completed Course Evaluations are your ticket out of class at the end of training, so ensure you have completed evaluations for Day One through Four tonight (pages 1-7 through 1-10 of your Student Manual).
CFS Course Agenda

**Monday**

**Introduction to Personal Financial Management**
- Welcome, Introduction and Administration with Pretest (CFS 1)
- The Need for Personal Financial Management (CFS 2)
- Introduction to Command Financial Specialist (CFS 3)
- Introduction to Managing Finances and What Are My Options? Exercise (CFS 4)
- Financial Counseling (CFS 5)
- Introduction to the Financial Planning Worksheet (CFS 7)
- eFPW Walk-Through of Morgan Wayne Case Study One (CFS 8)
- Daily Debrief and Evaluation

**Tuesday**

**Referral Resources**
- Personal Financial Recordkeeping (CFS 9)
- Legal Issues of Personal Financial Management (CFS 10)
- Your Credit and Your Clearance (CFS 11)
- Financial Referral Resources with Resource Case Studies and Guest Speakers (CFS 12)
- Instructional Techniques (CFS 13)
- Morgan Wayne Case Study Two (CFS 8)
- Daily Debrief and Evaluation

**Wednesday**

**Touchpoint Day 1**
- Touchpoint Tools (TC 1)
- Presentation 1: Instructor Example of Vesting in the TSP (TC 5)
- Team Assignments
- Team Work Time
- Presentation 2: Team A – Entitlement to Continuation Pay (TC 6)
- Presentation 3: Team B – Permanent Change of Station (TC 3)
- Presentation 4: Team C – Promotion (TC 4)
- Morgan Wayne Case Study Three (CFS 8)
- Daily Debrief and Evaluation

**Thursday**

**Touchpoint Day 2**
- Morgan Wayne Case Study Four (CFS 8)
- Presentation 5: Team D – Leadership Training (TC 11)
- Presentation 6: Team E – Pre-Deployment (TC 12A)
- Presentations 7 and 8: Teams F & G – Major Life Events – Marriage (TC 7); Welcoming Your First Child (TC 8); Preparing for Divorce (TC 9); Disabling Sickness or Condition (TC 10)
- Financial Counseling Application (CFS 6)
- Daily Debrief and Evaluation

**Friday**

**Program Development**
- Survivor Benefit Plan (CFS 14)
- Developing Your Program (CFS 15)
- Post-test
- Course Debrief and Evaluation
- Presentation of Certificates
Name: ___________________________  Rate/Rank: ___________________________

DoD#: ___________________________  Branch of Service: ______________________

Command (do not abbreviate): _____________________________________________

Installation or Duty Station: _____________________________________________

Work email: ____________________________

Work Phone: ___________________________  Rotation Date (PRD): ________________

Present Position: __________________________________________________________

Date Attended Training: _________________  Location: ________________________

DATA REQUIRED BY THE PRIVACY ACT OF 1974

AUTHORITY: 5 U.S.C. Sec 301, which allows the Secretary of the Navy to make regulations for the Department of the Navy. One of these regulations, SECNAVINST 1754.1B, establishes the Navy Family Services Center Program. 5 U.S.C. Sec 552a, safeguards individual privacy from the misuse of federal records.

PRINCIPAL PURPOSE: To enable the Chief of Naval Education and Training to record and track graduates of the Command Financial Specialist Training Course. DOD ID Number will be used to provide positive identification.

ROUTINE USES: The information obtained will become part of the Corporate enterprise Training Activity Resource System (CeTARS) and may be disclosed to routine users of such system. Unauthorized users will not have access to this protected information.

Signature: ________________________________  Date: __________________________

This form is only required for Marines and Sailors attending the course to facilitate entry into their training records. It needs to be filled out completely and signed.
CFS 2
The Need for PFM
Student Manual
I. INTRODUCTION

The goal of this training topic is to provide an introduction to the importance of all Americans managing their finances and an overview of typical financial problems and concerns experienced by Service members. We will discuss the “presenting” financial concerns that may bring Service members to see you, as well as the real reasons, emotional fallout, and implications of various financial issues.

Chapter Correlation to Common CFS Task Areas:

1. Education and Training: Models lecture, class participation, and training techniques

2. Information and Referral: No direct correlation

3. Counseling/Coaching: Introduces learners to the types of presenting financial problems they will encounter while working with clients, the real reasons financial problems occur, and typical emotional fallout from financial problems

II. LEARNING OBJECTIVES

Learners will use a group activity to distinguish among and list at least four presenting problems, real reasons, emotional fallout, and implications of financial problems.

III. REFERENCES

Institute, M.F. (1997). Scope and Impact of Personal Financial Management Difficulties of Service Members


IV. CONTENT
Financial Problems and Concerns

“Presenting Financial Concerns” are the types of issues that will motivate a client to come and see you as the Command Financial Specialist.

1. 
2. 
3. 
4. 
5. 
6. 
7. 
8. 
9. 
10. 

“Real Reasons” the client might be coming to see you. This is some of the meat of your job as a CFS — listening to the Presenting Financial Concerns while trying to discern the Real Reasons for the problems.

1. 
2. 
3. 
4. 
5. 
6. 
7. 
8. 
“Emotional Fallout” a client may be experiencing. These are the personal issues that can be linked directly to the client’s financial problems. Your job as a CFS is to recognize that there is emotional fallout and make a referral to the proper resource.

1. 
2. 
3. 
4. 
5. 

“Implications” of financial problems. These are detrimental impacts of personal financial problems for the Service member, the command, and the military.

Civilian Implications

1. 
2. 
3. 
4. 
5. 
6. 

Military Implications

1. 
2. 
3. 
4. 
5. 
6.
Financial Risk Factors for Military Members

- Youth/immaturity
- Early independence
- Earlier family responsibilities
- Unemployed or underemployed spouse
- Having children earlier
- Deployments
- Frequent moves
- Separation from extended family
- High cost of living
- Stability of employment
- Availability of easy credit
- National savings rate

Notes
CFS 3
Introduction to CFS
Student Manual
I. INTRODUCTION

The goal of this training topic is to provide an introduction to the military’s PFM Program and a review of your branch of service’s PFM Program Policy (which details your roles and responsibilities as a CFS). This topic will begin the discussion of how you as the CFS can use your skills to help fellow Service members.

Chapter Correlation to Common CFS Task Areas:

1. Education and Training: Introduces tasks. Introduces you to specific topic areas of training via review of the PFM Policy, models lecture, class participation, and training techniques.

2. Information and Referral: Introduces tasks.


II. LEARNING OBJECTIVES

Using the PFM Program Policy from their branch of service, learners will locate the key areas directly impacting their role as a CFS.

III. REFERENCES

DoD Instruction (DoDI) 1342.22 policy, assigns responsibilities, and establishes procedures for the provision of military family readiness services

OPNAV 1740.5D. (n.d.). United States Navy Personal Financial Management (PFM)

MCO 1700.37 United States Marine Corps Personal Financial Management Program (PFMP)

Army Regulation 608–1 Army Community Service

COMDTINST 1740.8 (series) United States Coast Guard Financial Management Program (PFMP)

IV. CONTENT
DIRECTIONS: Use your Service-Specific PFM Program Policy in Appendix A to locate the answers to the questions for your branch of service. Highlight the answers in the policy and list the location where you found each answer below.

NAVY
What are the four major elements of the Navy's PFM Program?

What is the responsibility of the Wardroom and Chief Petty Officers’ Mess?

What are the responsibilities of individual Sailors?

What are the minimum requirements to be reviewed in an ISIC’s inspection?
MARINE CORPS
Which preventative and intervention services are included in the Marine Corps’ PFM Program?

List two of the responsibilities of the Commanding Officers (CO), Officer(s)-in-Charge (OICs), Inspectors-Instructors (I&Is), and Detachment Commanders?

What is the Extended Absence Financial Plan that a CFS assists Marines in developing?

What are the responsibilities of the Inspector General of the Marine Corps?
COAST GUARD
What are the seven elements of the Coast Guard’s PFM Program?

How often must the CFS provide updates to the HSWL Regional Practice (HSWL-RP) PFM?

What are the responsibilities of individual Coast Guard Service members and civilians?

How often should the CFS report to the CO/XO the CFS activity (referrals and training) conducted at their command/unit?
CFS Roles and Responsibilities

To support mission readiness, and in accordance with DoD INST 1342.27 (12 Nov 04), Personal Financial Management (PFM) policies across the services, mandate that each installation provide a PFM program.

Components of PFM Program by Military Branch

<table>
<thead>
<tr>
<th>Component</th>
<th>NAVY</th>
<th>MARINE CORPS</th>
<th>ARMY</th>
<th>COAST GUARD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education and Training</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Information and Referral</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Financial Counseling</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Financial Coaching</td>
<td></td>
<td></td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Consumer Advocacy</td>
<td>✔</td>
<td></td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td>CFS Program</td>
<td></td>
<td></td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td>Outreach</td>
<td></td>
<td></td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td>Collaboration and Coordinating</td>
<td>✔</td>
<td></td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td>CG SUPRT Financial Wellness Program</td>
<td></td>
<td></td>
<td>✔</td>
<td></td>
</tr>
</tbody>
</table>

The PFM program emphasizes a proactive, military career life-cycle approach to personal financial responsibility.

The Command Financial Specialist (CFS), as the officially designated command unit-level representative, is the core of the PFM program.

Responsibilities of a CFS by Military Branch

<table>
<thead>
<tr>
<th>Component</th>
<th>NAVY</th>
<th>MARINE CORPS</th>
<th>ARMY</th>
<th>COAST GUARD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education and Training</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Information and Referral</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Financial Counseling</td>
<td>✔</td>
<td></td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Initial Financial Coaching/Counseling</td>
<td></td>
<td></td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td>Basic Budgeting</td>
<td></td>
<td></td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td>Consumer Advocacy</td>
<td>✔</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note:** At the time of this publication, the U.S. Army does not have an Army Regulation for the Command Financial Specialist program, however local regulations may apply.
CFS 4
Introduction to Managing Finances
Student Manual
I. INTRODUCTION

As a Command Financial Specialist, you are expected to assist members in your command in their efforts to help themselves. You will become capable of guiding Service members in developing a plan for earnings, spending, saving and achieving their goals. This is a financial plan and is the foundation of your CFS efforts. This chapter provides an overview of the financial planning process and the Financial Planning Pyramid. This overview functions as a road map, showing you where this topic fits into the whole of financial planning. The Financial Planning Pyramid is used throughout the course and the PFMSC. It is introduced and used as early as possible so you can become thoroughly familiar with it.

Chapter Correlation to Common CFS Task Areas:

1. Education and Training: Several training techniques are used in this chapter, including active lecture and group brainstorming activities.

2. Information and Referral: Learners become familiar with an important referral tool and are exposed to information and referral aspects of reducing living expenses.

3. Counseling/Coaching: Learners get hands-on experience with the goal-setting process, which puts clients in a “future” orientation, a key element of Solution-Focused financial counseling.
II. LEARNING OBJECTIVES

The learner will write one short-term, one medium-term, and one long-term goal using the SMART criteria.

The learner will gain an understanding of how compound interest and inflation will affect their saving and investing goals.

Working in small groups, the learners will identify various ways to reduce living expenses in the Housing/Utilities, Transportation, Food, Entertainment, Communication, Children and Child Care, Clothing, Digital Spending, Vacations, and Holiday Spending categories.

III. REFERENCES

Personal Financial Management Standardized Curriculum: Developing Your Spending Plan, Military Pay Issues, and Credit Management Modules


https://www.dcms.uscg.mil/Our-Organization/Assistant-Commandant-for-Human-Resources-CG-1/Pay-and-Personnel-Center-PPC/ (Pay and Personnel Center)

www.bls.gov (Department of Labor Consumer Expenditure Survey)

www.fns.usda.gov/wic (Women, Infants and Children)


https://www.bls.gov/data/inflation_calculator.htm

IV. CONTENT
# SMART Goals

<table>
<thead>
<tr>
<th>Specific</th>
<th>Measurable</th>
<th>Achievable</th>
<th>Realistic</th>
<th>Time-Bound</th>
</tr>
</thead>
</table>

### Short-Term Goal (1 month – 1 year)

### Medium-Term Goal (1 – 5 years)

### Long-Term Goal (5 – 10 years)
Financial Planning Pyramid

INVESTMENT LEVELS
- Reserve
- Emergency
- Goal Getter

SAVINGS LEVEL
- Adequate Income
- Controlled Spending
- Adequate Insurance

MANAGEMENT LEVEL
- Options, Commodities, etc.
- Real Estate
- Hard Assets
- Stocks
- Bonds
- Mutual Funds
Activity: What Are My Options?

What Are My Options? A group activity in ways to reduce living expenses. You will be assigned one of the following 10 categories of expenses. Brainstorm with your group to determine ways in which your future clients could reduce their living expenses to free up dollars for use elsewhere in their spending plan.

Expenses Categories:

1. Housing/Utilities
2. Transportation
3. Food
4. Entertainment
5. Communication
6. Children and Child Care
7. Clothing
8. Digital Spending
9. Vacations
10. Holiday Spending

Use this space to record responses on ways to reduce living expenses.

HOUSING/UTILITIES:

Referral Resources:

TRANSPORTATION:

Referral Resources:
Activity: What Are My Options? (continued)

FOOD:

Referral Resources:

ENTERTAINMENT:

Referral Resources:

COMMUNICATION:

Referral Resources:
Activity: What Are My Options? (continued)

CHILDREN AND CHILD CARE:

Referral Resources:

CLOTHING:

Referral Resources:

DIGITAL SPENDING:

Referral Resources:
Activity: What Are My Options? (continued)

VACATIONS:

Referral Resources:

HOLIDAY SPENDING:

Referral Resources:
CFS 5
Financial Counseling
Student Manual
I. INTRODUCTION

As a CFS, you will be called upon to provide financial counseling to Service members and possibly their family members. This chapter provides an overview to a specific type of counseling called Solution-Focused Financial Counseling and to an 8-Step Counseling Cycle. This is an introductory segment that will be explored in further detail during the week and put into practice through practical application during counseling role-play. Communication skills and the art of listening are important CFS abilities that will be demonstrated and discussed here and throughout the week.

Chapter Correlation to Common CFS Task Areas:

1. Education and Training: This chapter has no direct correlation to Education and Training. Some of the forms (tools) introduced have educational application.

2. Information and Referral: The process of making referrals is presented in the context of the counseling cycle.

3. Counseling/Coaching: Solution-Focused Financial Counseling is introduced. A practical 8-Step Counseling Cycle is introduced. Counseling tools are introduced. Counseling session structure and procedures are discussed.

II. LEARNING OBJECTIVES

Using a multiple-choice exercise, learners will identify correctly the appropriate application of Solution-Focused Financial Counseling principles.

Learners will demonstrate a basic understanding of the 8-Step Counseling Cycle by developing at least one appropriate question for each stage.

Working in pairs, learners will demonstrate appropriate counseling communication skills.

Learners will demonstrate knowledge and appropriate uses of key counseling tools by completing them for homework.
III. REFERENCES


IV. CONTENT
Circle the response that you think best fits the client statement. Consider the principles of Solution-Focused Financial Counseling when choosing the best response, and be prepared to justify your choice.

<table>
<thead>
<tr>
<th>Client Statement</th>
<th>The Best Response</th>
</tr>
</thead>
</table>
| 1. My debit card gets rejected between paydays. I can’t manage my money.         | a. That sounds tough.  
b. Are you spending all the money or is your partner?  
c. Can you think of a time when this doesn’t happen?  
d. How long has this been going on?  
* Best response helps client find exception to problem. |
| 2. I can’t track my spending.                                                     | a. What would happen if you did track your spending?  
b. Why can’t you track it?  
c. Most people find that hard to do.  
d. It isn’t that critical at this time.  
* Best response has a future orientation. |
| 3. I’ve never been able to budget my money.                                        | a. Is that a common problem?  
b. Have you ever stuck to a diet?  
c. Maybe you don’t have the right help.  
d. What do you need in order to begin budgeting?  
* Best response helps client find exception to problem. |
| 4. I worry about money and my financial future.                                   | a. Yes, worrying will cause you significant stress.  
b. When do you not worry?  
c. Do you know anyone who doesn’t worry about that?  
* Best response helps client find exception to problem. |
| 5. I always screw up with my money.                                               | a. You’re in good company.  
b. What typically happens when you screw up?  
c. What is one good thing you’ve done for your situation?  
d. Most people feel the way you do.  
* Best response looks for something positive on which to build. |
The 8-Step Counseling Cycle

1. Prepare for the Counseling Session
   Includes:
   • Schedule appointment
   • Obtain data (case background)
   • Determine counseling type
   • Explanation of role of CFS
   • Providing client with Financial Counseling Checklist and FPW prior to session
   • Ask for questions
   • Collect materials
   • Prepare mentally and prepare meeting location

2. Build the Relationship
   Includes:
   • Warm greeting
   • Privacy Act Statement
   • Discuss normal feelings
   • Explain purpose of session
   • Provide complete attention
   • SOFTEN

3. Gather Data
   Includes:
   • Client’s goal(s) for session
   • Client’s view of situation (presenting problem)
   • Facts and situations of the problem
   • Steps client has taken
   • Client’s immediate needs
   • Situations requiring change or crisis intervention
   • What does client want to do?
   • Create SMART goals
   • Construct Financial Planning Worksheet Net Worth and “Monthly” columns

4. Prioritize Concerns
   Includes:
   • Differentiate:
     • Immediate critical concerns
     • Pressing concerns
     • Long-term concerns
     • Make appropriate referrals

5. Explore Options
   Includes:
   • Client’s thoughts and feelings on potential options
   • Family members’ reactions to options
   • Determine benefits and risks of each option
   • Determine cost of inaction
   • Analyze legal implications

6. Construct Solutions
   Includes:
   • Break down solution into smaller parts if necessary
   • Assist client in finding solutions to implement immediately
   • Stress solutions that require change
   • FPW Action Plan (Financial Health Assessment tab) and “Projected” columns
   • Compute new “bottom line” (Surplus or Deficit)

7. Implement the Plan
   Includes:
   • Help client evaluate 1st and 15th spending
   • Choose options to start immediately
   • Explain how to track expenditures
   • Encourage whole family to be involved
   • Summarize session
   • Schedule follow-up session

8. Monitor and Follow Up
   Includes:
   • Find out if plan is working
   • Begin counseling cycle again
   • Use new information to address next concern
   • Designate future counseling, if needed
   • Follow up with any referrals
   • Client is in recovery

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   • Collect materials
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   • Designate future counseling, if needed
   • Follow up with any referrals
   • Client is in recovery

Financial Counseling
Two-Minute Brainstorming Activity

Write down at least one question you would use for each step in the 8-Step Counseling Cycle

1. Prepare for the Counseling Session

2. Build the Relationship

3. Gather Data

4. Prioritize Concerns

5. Explore Options

6. Construct Solutions

7. Implement the Plan

8. Monitor and Follow Up
Financial Counseling Checklist

Your next meeting is _____________________________ (day/date) at _____________________________ hrs, at _____________________________ (location)

Please bring the following items to assist in our meeting:

<table>
<thead>
<tr>
<th>Item</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Most recent LES/Payslip</td>
<td></td>
</tr>
<tr>
<td>Bills (past/anticipated)</td>
<td></td>
</tr>
<tr>
<td>Correspondence from creditors</td>
<td></td>
</tr>
<tr>
<td>Contracts</td>
<td></td>
</tr>
<tr>
<td>Your personal budget</td>
<td></td>
</tr>
<tr>
<td>Completed Financial Planning Worksheet (FPW)</td>
<td></td>
</tr>
<tr>
<td>Checking account and/or credit card statement(s)</td>
<td></td>
</tr>
<tr>
<td>Creditor complaints received by command</td>
<td></td>
</tr>
<tr>
<td>Statement of Reasons/Letter of Intent</td>
<td></td>
</tr>
<tr>
<td>Most recent credit report from <a href="http://www.annualcreditreport.com">www.annualcreditreport.com</a></td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td></td>
</tr>
</tbody>
</table>

Financial Counselor ________________________________________________

Telephone __________________________________________________________

Email _______________________________________________________________
Dear (Client Name),

Your financial appointment is scheduled for ________ (date) at ________ (time) at ________ (location).

Please bring the following items to your appointment:

1. Most recent LES/Payslip
2. Other pay statements
3. Record of any other monthly income
4. Monthly bills and payments
   a. Cellphone
   b. Cable
   c. Internet
   d. Insurance
   e. All other monthly bills
5. Monthly miscellaneous spending (use your statements to categorize)
   a. Food
   b. Gasoline
   c. Clothing
   d. Entertainment
   e. Personal care
   f. Alcohol and tobacco
   g. All other monthly expenses
6. Debt payments (include minimum monthly payment, balance, and APR*)
   a. Car loans
   b. Personal loans
   c. Student loans
   d. Credit cards
   e. Military relief society loans
   f. TSP loan
   g. All other debts
7. Balances of accounts
   a. Checking
   b. Savings
   c. Investments
   d. TSP

*APR is your annual percentage rate. APR will not show on your credit report. If your account shows an interest rate and no APR, bring the interest rate instead.

Very respectfully,
(CFS name)
Compiling a financial counseling notebook with just the essential forms and reference materials you will need for most counseling sessions will help you be better prepared and organized for the interview. Materials to include in your financial counseling notebook.

Privacy Act Statement (if applicable for your branch of Service)

Financial Planning Worksheets

Debt-to-Income Ratio Sheet

Pay Tables (or link to Pay Tables saved on computer)

Tax Tables (or link to Tax Calculator saved on computer)

IRS Form W-4 (or link to IRS Tax Withholding Estimator saved on computer)

State Income Tax Tables (or link to State Tax Calculator saved on computer)

Sample Letter to a Creditor

Indebtedness Instruction from your branch of Service (see Appendix B for your branch of Service’s policy)

Guide for Writing a Case Narrative

Financial Referral Resources
1. **LEGAL AUTHORITY:** The authority for soliciting and maintaining this information is found in 5 U.S.C. Sect. 301 and 5 U.S.C. Sec 552a, in addition to 10 U.S.C. 6161 and 10 U.S.C. 2774 as added by Public Law 92-453.

2. **PRINCIPAL PURPOSE:** The Information you provide will help the Command Financial Specialist assist you and your dependents in planning your personal financial affairs.

3. **ROUTINE USES:** The information collected on this form by the Command Financial Specialist will be used as a chronological consultation sheet to provide aid and insight for future financial counseling sessions, to monitor the progress achieved, and to prepare periodic statistical reports on the financial case load of the Command Financial Education Program. In addition to using the information you provide for the “principal purpose” given above, the blanket routine uses of all Navy Privacy Act systems of records are applicable.

4. **OTHER DISCLOSURE OF YOUR INFORMATION:** In addition to using the information you give the Command Financial Specialist for the “principal purpose” and “routine uses” given above, your information may be disclosed in certain other situations, as permitted by exceptions to the Privacy Act. These could include disclosures to a commanding officer and other DoD officials in connection with certain security clearances, personnel reliability programs, and family-abuse situations.

5. **DISCLOSURE IS VOLUNTARY:** The information you provide is strictly voluntary; however, failure to provide this information may result in inadequate facts and hinder or prevent the Command Financial Specialist from being able to assist you.

I have read and understand the above important information and Privacy Act statement. My Command Financial Specialist has explained the contents of the Privacy Act statement to me.

Date____________________________    Signature___________________________________

Spouse_____________________________________

Witness/Counselor ____________________________
Hierarchy of Concerns

Immediate critical financial concern

Emergency issues that must be addressed right away.

• Housing: immediate eviction or no housing
• No food
• No transportation
• Clothing: inappropriate for current weather
• Immediate medical attention
• Utility disconnects: shut-offs

Pressing financial concern

Concerns that are imminent but not an emergency, address within the 10 days

• Involuntary allotments
• Threat of legal actions, repossess or bankruptcy
• Loans placed for collections by creditors
• Creditor complaints received by the command
• Utility disconnects
• Security Clearance reviews/appeals
• Repairs on an essential automobile
• Eviction notices
• Lack of food
• No gasoline for the car
• No diapers for infants
• Pay problems resulting in reduced paycheck
• Emergency leave
• Credit/debit card denials
• Using overdraft protection every month

Long-term concerns

Issues that are neither immediate and critical, nor pressing, but require assistance.

• Developing a savings plan
• Investment options
• College savings
• Tax issues
• Debt-management plans
• TSP options
• Military retirement
• Buying a home
Guide to Writing a Case Narrative

1. If the client was referred to the Command Financial Specialist Program, who made the referral (name of person, organization, etc.)?

2. Who attended the counseling session (Service member, spouse or both)?

3. What are the main concerns of the client regarding his/her financial situation (having problems between paydays, establishing a spending plan, delinquent accounts, creditor complaints to the command, etc.)?

4. What circumstances in the past have contributed to the present financial situation (transfer, emergency, loss of income, etc.)?

5. Does the client have any emergency needs (food, eviction, loss of electricity, summons to appear in court for judgment, etc.)?

6. What is the “bottom line” after working up the monthly budget (surplus or deficit)?

7. Was a “breakdown” by paydays and projected budget prepared?

8. What options and/or assistance were given to the client (how to economize on living expenses, how to establish a budget and recordkeeping system, how to contact creditors and make repayment arrangements, etc.)?

9. What referrals were made?

10. Were other people or agencies contacted in regard to the client’s case (name, agency, address, phone number, information shared, agreements made, etc.)?

11. What tasks were assigned to the client (keep record of all spending, contact creditors to establish a repayment plan, etc.)?

12. Was a follow-up session scheduled (date and time)?

13. What was discussed and accomplished at the follow-up session (what has happened since last session, what tasks were accomplished and assigned, what still needs to be addressed, etc.)?

14. When is/was case closed (date and status of the client)?
# How Do You Rate as a Money Manager?

Answer the questions according to your PRESENT financial experiences

<table>
<thead>
<tr>
<th></th>
<th>A.</th>
<th>B.</th>
<th>C.</th>
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</thead>
<tbody>
<tr>
<td>1.</td>
<td>I have managed the bulk of my own expenses since I was: 16 to 18 18 to 21 over 21</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>I have my own checking account. now at one time never</td>
<td></td>
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<tr>
<td>3.</td>
<td>I have my own savings account. now at one time never</td>
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<tr>
<td>4.</td>
<td>I have trouble balancing my checkbook. never sometimes usually</td>
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<tr>
<td>5.</td>
<td>I run out of money before the end of the month. never sometimes usually</td>
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<td>6.</td>
<td>I am bothered by a creditor demanding payment on an overdue bill. never sometimes usually</td>
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<td>7.</td>
<td>I worry about money. never sometimes usually</td>
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<td>8.</td>
<td>I have been refused credit. never once more than once</td>
<td></td>
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<td>9.</td>
<td>I have consumer debt. never sometimes usually</td>
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<tr>
<td>10.</td>
<td>I spend more than I planned. never sometimes usually</td>
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<tr>
<td>11.</td>
<td>I can afford what I want. usually sometimes never</td>
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<td>12.</td>
<td>I regret what I buy. never sometimes usually</td>
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<td>13.</td>
<td>I save regularly. usually sometimes never</td>
<td></td>
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<tr>
<td>14.</td>
<td>I enjoy spending money. never sometimes usually</td>
<td></td>
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<tr>
<td>15.</td>
<td>I feel as if I’ve thrown my money away. never sometimes usually</td>
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<td>16.</td>
<td>My wife/husband thinks I’m a _____________ penny pincher prudent spender spendthrift</td>
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<tr>
<td>17.</td>
<td>I think I’m a _______________________________ penny pincher prudent spender spendthrift</td>
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<tr>
<td>18.</td>
<td>I like extravagances. never sometimes usually</td>
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<tr>
<td>19.</td>
<td>Lack of money is my biggest problem. never sometimes usually</td>
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<td>20.</td>
<td>I buy on impulse. never sometimes usually</td>
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<tr>
<td>21.</td>
<td>I buy ahead. never sometimes usually</td>
<td></td>
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<tr>
<td>22.</td>
<td>I have to juggle my creditors. never sometimes usually</td>
<td></td>
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<tr>
<td>23.</td>
<td>There are important things I want that I will ____ get. probably possibly never</td>
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<tr>
<td>24.</td>
<td>I would go into debt to take a vacation. never sometimes usually</td>
<td></td>
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<tr>
<td>25.</td>
<td>I review my net worth. each year sometimes never</td>
<td></td>
<td></td>
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<tr>
<td>26.</td>
<td>I count on future raises or bonuses to pay some of my bills. never sometimes always</td>
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<tr>
<td>27.</td>
<td>A large portion of my pay goes to online subscriptions. never sometimes usually</td>
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<tr>
<td>28.</td>
<td>I overdraft my checking account. never sometimes often</td>
<td></td>
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<tr>
<td>29.</td>
<td>I estimate my expenses well. usually sometimes never</td>
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<tr>
<td>30.</td>
<td>My monthly rent or mortgage payments are less than 25% 25% more than 25% of my monthly after-tax income.</td>
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</table>

**SCORING:**
- A = 1 point
- B = 3 points
- C = 5 points

**TOTAL:**
- 5-12 Financial Counseling
This exercise is designed to start you thinking and talking about your financial values in terms of goods and services that are important to you. Spending your money is a very personal thing — what you consider to be a luxury, your spouse or “significant other” may consider a necessity. If necessary, what items could you eliminate from your possessions or goals? Do your work individually — do not consult with your partner.

Respond in accordance with your feelings and not as you “think” you should respond. Beside each of the items listed below, indicate how you would rate each one:

<table>
<thead>
<tr>
<th>Necessary</th>
<th>Very Useful</th>
<th>Merely Desirable</th>
<th>Luxury</th>
<th>Not Desirable</th>
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</thead>
<tbody>
<tr>
<td>1. Annual vacation</td>
<td></td>
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<tr>
<td>2. Eating out weekly</td>
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<tr>
<td>3. Washer/dryer</td>
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<tr>
<td>4. Uber/Lyft</td>
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<tr>
<td>5. Savings account</td>
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<tr>
<td>6. Own a home</td>
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<tr>
<td>7. Surround-sound system</td>
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<tr>
<td>8. Health club membership</td>
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<tr>
<td>9. Hair and nails</td>
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<td>10. Motorcycle</td>
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<tr>
<td>11. Movie theater weekly/monthly</td>
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<tr>
<td>12. Life insurance</td>
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<tr>
<td>13. Latest luxury or sports car</td>
<td></td>
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<tr>
<td>14. Online music or movie streaming services</td>
<td></td>
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<tr>
<td>15. Additional education for spouse</td>
<td></td>
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<tr>
<td>16. Visits to spouse’s family</td>
<td></td>
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<td>17. Air conditioning in home</td>
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<td>18. Exchange credit card</td>
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<tr>
<td>19. Spend $100 monthly on clothing and/or shoes</td>
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<td>20. Swimming pool in backyard</td>
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<td>21. Checking account</td>
<td></td>
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<tr>
<td>22. Health club membership for spouse</td>
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<tr>
<td>23. College education for children</td>
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<td>24. Extra money for liberty while deployed</td>
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<td>25. Meal delivery services</td>
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<td>26. Investments (stocks, bonds)</td>
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<td>27. Department store credit cards</td>
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<td>28. VISA and Mastercard credit cards</td>
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<tr>
<td>29. Health insurance for family</td>
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<td>30. Second car</td>
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<tr>
<td>31. Additional education for yourself</td>
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<td>32. TSP</td>
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<td>33. Latest smartphone</td>
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<td>34. Online gaming services</td>
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<td>35. Visits with your family</td>
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<td>36. Extra babysitting money when spouse is deployed</td>
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<td>37. Sporting events tickets</td>
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<td>38. TV sports and cable packages</td>
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<tr>
<td>39. Base housing</td>
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<tr>
<td>40. Swim club membership for family</td>
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<tr>
<td>41. Name-brand clothing</td>
<td></td>
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<tr>
<td>42. Boat</td>
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I. INTRODUCTION

This chapter focuses on counseling skills and assists you in developing a counseling strategy. The session will build on the information learned during the Financial Counseling session provided at the beginning of the week by providing a review of the 8-Step Counseling Cycle and Solution-Focused Financial Counseling. You will further explore Financial Counseling by discussing Counseling Fundamentals, Open-Ended Questions, Common Client Comments, and Measuring Success in Counseling. Lastly, you will receive hands-on experience using role-play.

Chapter Correlation to Common CFS Task Areas:

1. **Education and Training**: This chapter has no direct correlation to Education and Training. Training techniques used include active lecturing, group activity, and role-play.

2. **Information and Referral**: Referrals to appropriate resources should be provided by the CFS during the role-play portion of this session.

3. **Counseling/Coaching**: Learners have the opportunity to practice financial counseling skills via counseling role-play practical application.

II. LEARNING OBJECTIVES

Participating in a role-play activity, learners will demonstrate effective Solution-Focused Financial Counseling techniques.

III. REFERENCES


All Solution-Focused Financial Counseling components are adapted from Dr. Fred Waddell’s manual, Solution-Focused Financial Counseling in the New Millennium.

IV. CONTENT
The 8-Step Counseling Cycle

1. Prepare for the Counseling Session
   Includes:
   • Schedule appointment
   • Obtain data (case background)
   • Determine counseling type
   • Explanation of role of CFS
   • Providing client with Financial Counseling Checklist and FPW prior to session
   • Ask for questions
   • Collect materials
   • Prepare mentally and prepare meeting location

2. Build the Relationship
   Includes:
   • Warm greeting
   • Privacy Act Statement
   • Discuss normal feelings
   • Explain purpose of session
   • Provide complete attention
   • SOFTEN

3. Gather Data
   Includes:
   • Client’s goal(s) for session
   • Client’s view of situation (presenting problem)
   • Facts and situations of the problem
   • Steps client has taken
   • Client’s immediate needs
   • Situations requiring change or crisis intervention
   • What does client want to do?
   • Create SMART Goals
   • Construct Financial Planning Worksheet Net Worth and “Monthly” columns

4. Prioritize Concerns
   Includes:
   • Differentiate:
     • Immediate critical concerns
     • Pressing concerns
     • Long-term concerns
   • Make appropriate referrals

5. Explore Options
   Includes:
   • Client’s thoughts and feelings on potential options
   • Family members’ reactions to options
   • Determine benefits and risks of each option
   • Determine cost of inaction
   • Analyze legal implications

6. Construct Solutions
   Includes:
   • Break down solution into smaller parts if necessary
   • Assist client in finding solutions to implement immediately
   • Stress solutions that require change
   • FPW Action Plan (Financial Health Assessment tab) and “Projected” columns
   • Compute new “bottom line” (Surplus or Deficit)

7. Implement the Plan
   Includes:
   • Help client evaluate 1st and 15th spending
   • Choose options to start immediately
   • Explain how to track expenditures
   • Encourage whole family to be involved
   • Summarize session
   • Schedule follow-up session

8. Monitor and Follow Up
   Includes:
   • Find out if plan is working
   • Begin counseling cycle again
   • Use new information to address next concern
   • Designate future counseling, if needed
   • Follow up with any referrals
   • Client is in recovery

8-Step Counseling Cycle

Financial Counseling Application
Solution-Focused Counseling is a way of thinking, a way of conversing with clients, and a way of constructing solutions interactively.

The Solution-Focused Counseling session structure is:
1. Short-term
2. Goal-oriented
3. Task-centered
4. Positive
5. Encouraging

SFFC builds on basic techniques such as eye contact, reflective listening, attentive posture, nodding to indicate understanding, positive attitude, mutual respect, empathy versus sympathy, self-disclosure, genuineness, sincerity, honesty, remaining non-judgmental, and asking open-ended versus closed-ended questions. SFFC instructs counselors to do the following in their sessions with clients:
   - Ask questions rather than “sell” answers;
   - Notice and reinforce evidence of the client’s positive qualities, strengths, resources, and general competence to solve their own problems;
   - Work with what people can do rather than focusing on what they can’t do;
   - Pinpoint the behaviors a client is already engaging in that are helpful and effective and find new ways to facilitate problem-solving through these behaviors;
   - Focus on the details of the solution instead of the problem;
   - Develop action plans that work for the client.

Counseling Fundamentals
1. Normal People, Normal Problems: remember that clients are normal people with normal problems. Initially, most clients will be experiencing one or more of the full range of normal human emotions and feelings such as anxiety, sadness, anger, mild depression, failure, or frustration.
2. Situation will get better or worse without your help: realize that whatever the client’s financial situation, it will either get better or worse even without any intervention by a CFS. Recognize that regardless of what you do, things will change, and with the help of a trained CFS, we increase the likelihood of change in a positive direction.
3. Client has the ability to solve their problem: they just need help in discovering what options and solutions exist. The CFSs can help clients better understand their present situation and motivate them to explore various options that will improve their situation.
4. Clients feel vulnerable: this is why building trust and confidence is so important to the SFFC process.
5. Couples have unique needs: by the time couples seek or are referred for financial counseling, they have already had a number of “intense discussions” about spending money and who played what role in their present financial situation. There is a tendency to blame each other for their present difficulties. It’s important for a CFS to remember that couples have different values regarding the use of money. Avoid playing the role of referee. It is extremely important to get both spouses involved in being part of the solution. In cases where a CFS can work with only one spouse, recognize that whatever plan is developed, it must be “sold” to the spouse who is not present. Joint ownership and joint commitment are essential for any financial plan to succeed.
Open-Ended Questions

Open-ended questions allow your client to have a voice and allow you to receive more information about the situation versus closed-ended questions that limit or influence the client with a “YES” or “NO” answer. Here are examples to use in your counseling sessions:

“What would you like to accomplish in the (short) time we have available? In other words, what would you like to leave here with?”

“I’m wondering, what [problem] has cost you already, not just in terms of dollars, but also in terms of your ability to concentrate on your work, your job performance, your relationship with other key people in your life (e.g. your family), in terms of self-confidence and self-respect, or in terms of peace of mind?”

“What specifically do you want to change?”

Once you have calculated the surplus or deficit:
“Does a $200 a month deficit sound about right to you?”

Once you have calculated the debt-to-income ratio:
“Do you feel this is really accurate, or is it too high or low?”

“If a miracle were to happen tonight and [the problem] went away, what would your life be like? What would be different in the morning?”

“When does [the problem] not occur? What is happening when [the problem] doesn’t occur? When was the last time [the problem] wasn’t occurring? What was different about that time?”

“So, what have you done about this already?” (and what else, and what else)

“So, what have you thought about doing?” (and what else, and what else)

“What do you see yourself doing first after you leave here today?”

“What options will you implement immediately?”

“How will you know when they have been implemented?”

“What difficulties do you foresee in implementing these options?”
Clients often have the same concerns and thus CFSs will hear a lot of the same comments from clients. Take the time to discuss the possible responses you could provide to common client comments. The best responses will show empathy, be future focused, and/or utilize open-ended questions.

I don’t want my unit to find out about my financial problem

______________________________________________________________________________________
______________________________________________________________________________________
______________________________________________________________________________________

My finances are a mess. I’m sure I’m the worst you’ve seen

______________________________________________________________________________________
______________________________________________________________________________________
______________________________________________________________________________________

I’m terrible at managing my money!

______________________________________________________________________________________
______________________________________________________________________________________
______________________________________________________________________________________

I don’t want to put money in TSP. I want to be able to get at my money any time I want.

______________________________________________________________________________________
______________________________________________________________________________________
______________________________________________________________________________________

I don’t need an emergency fund. I can use a credit card.

______________________________________________________________________________________
______________________________________________________________________________________
______________________________________________________________________________________

I like getting a big tax refund. It’s like a forced savings plan.

______________________________________________________________________________________
______________________________________________________________________________________
______________________________________________________________________________________
Building good credit is impossible. If I do just one thing wrong, my credit score drops like a rock.

I'm getting promoted next month. I can't wait to get the new truck I've been dreaming about!

I don't need to make car payments while I'm deployed. Companies have to cut me a break on payments since I'm active duty.

I got my security clearance. Now I don't have to worry about my finances for five years.

My paycheck was $500 short, but I never look at my LES/Payslip. Someone needs to fix this.

It is a good thing we looked at my credit report. I forgot about that credit card.

I don't know why I'm here. My chain of command told me I needed to come see you. I don't have any financial problems.
I want to buy a house. I don’t have any savings, but I heard that you don’t need a down payment if you use the VA Loan.

I want to trade in my car to get something with a smaller payment. I should be able to get $25,000 for it since that’s what I paid for it last year.

I can’t wait to move out of the barracks and get all that BAH money and no more eating at the galley/mess.

I don’t really spend money. I can’t figure out why I’m always broke

My finances are so stressful

Will this financial issue impact my career
1. **Prepare for the Counseling Session**
   Case background research

2. **Build the relationship**
   Smile and warm greeting
   Compliment
   Privacy Act Statement
   Normalize feelings

3. **Gather Data**
   What is the presenting problem? _____________________________________________________________
   Expectations _____________________________________________________________________________
   What steps has client taken? _______________________________________________________________
   Financial Planning Worksheet (pp. 1-5, current column only)

4. **Prioritize Concerns**
   Immediate/Critical _________________________________________________________________________
   Pressing _______________________________________________________________________________
   Long term _______________________________________________________________________________

5. **Explore Options**
   FPW pg. 6 — Action Plan
   Increase Income & Savings _________________________________________________________________
   Decrease Living Expenses _________________________________________________________________
   Decrease Indebtedness _________________________________________________________________
   Referrals & Recommended Trainings _________________________________________________________
   _______________________________________________________________________________________

6. **Construct Solutions**
   FPW pg. 6 — Action Plan _________________________________________________________________
   Projected column _________________________________________________________________________
   New “bottom line” _______________________________________________________________________
   Compliment the client _____________________________________________________________________

7. **Implement the Plan**
   Tracking expenditures – provide options for tracking _____________________________________________
   Bring closure to session _____________________________________________________________________
   Visualize implementing options ______________________________________________________________
   Can-do mind set __________________________________________________________________________

8. **Monitor and Follow Up**
   Day and time _____________________________________________________________________________
Interviewing Checklist

- Are you ready for the session? Right frame of mind? Counseling materials at hand?
- Is the client ready for the session? Appointment? LES/Payslip? Expenses? Supporting documentation?
- Cordial greeting
- Explain your role
- Remain objective
- Privacy Act Statement
- What does the client want to achieve? What does the client perceive as the problem?
- What has the client identified as immediate concerns/needs?
- Are there any immediate needs (i.e., basic security, food, housing, transportation, clothing, medical attention, child care, safety issues?) These must be addressed before attempting any further rehabilitative counseling.
- Long-term concerns/needs? Referrals?
- Are there situations requiring change or crisis intervention?
- Evaluate needs vs. wants
- Eye contact
- Active listening skills
- Who is talking more, you or the client?
- Tell me...
- Pay attention to what the client is saying and what the client is NOT saying. Is there a big gap in the story?
- What action has the client already taken?
- What are possible options/solutions? Benefits and risks of each? Ramification of action and/or inaction?
- Develop a plan — client must choose the options that are right for his/her family/life.
- Spending log/record or end-of-month statements for credit/debit cards.
- Is monitoring/follow-up an option? Internal? External?
- Referrals?
- Leading questions/lead-ins:
  - How can I help you today?
  - What do you see going on financially in your life?
  - What do you see as the cause of the situation?
  - How do you want to handle this?
  - What options have you considered?
  - What have you done so far?
  - How did that work?

Reminder: These are cues/clues to you. The client should be providing the information and solutions. Your job is to guide them into solving their own problems.
1. In your group, you will select one person to act as a Command Financial Specialist (CFS).

2. Background information for the CFS:
   a. Jordan Dough received an email directing them to consult with their Command Financial Specialist to obtain required Touchpoint training for their particular Touchpoint. Dough contacted you to make an appointment and you directed them to bring their LES/Payslip and a list of monthly living expenses and indebtedness.

3. Jordan Dough will receive a role-play profile, with background information, from the instructor. The person acting as Jordan Dough is the client.

4. In your group, arrange the chairs appropriately for a counseling session and clean off the area where Dough will sit. The CFS will counsel Dough on the section of the scenario given to your group. Remaining members of the group will act collectively as advisors to the CFS and may observe, but should not speak to the client (as far as the CFS and Dough are concerned, they are not present). If the advisors have suggestions or the CFS needs advice, someone calls “freeze,” at which time the CFS and advisors have a conference to discuss strategy. Dough may remain for the discussion if the student acting as Dough will benefit as a future CFS from hearing the discussion. After the discussion, call “unfreeze,” and resume the role-play. At any point, the group can decide to designate another CFS to provide opportunities for everyone to practice counseling skills.

5. Allow about five minutes for the CFS and advisors to plan their strategy for the counseling session.

6. Once the counseling encounter is over, the class will discuss ways in which the CFS and the advisors applied financial counseling and communication techniques by discussing each Touchpoint from the scenario.
CFS 7
Introduction to the Financial Planning Worksheet
Student Manual
I. INTRODUCTION

As a Command Financial Specialist, you are expected to assist Service members in your command in their efforts to help themselves. You will become capable of guiding Service members in developing a plan for earnings, spending, saving, and achieving their goals. This financial plan is the foundation of your CFS efforts. This chapter introduces the Financial Planning Worksheet, the main tool used by Command Financial Specialists in counseling/coaching.

You will get hands-on intensive instruction on the Financial Planning Worksheet. The five components of the Financial Planning Worksheet are: Net Worth Statement, Income, Budget or Spending Plan, Financial Health Assessment with Action Plan, Debt Destroyer, and Financial Links. Hands-on practical application of the FPW is part of the case study assignments. A computer demonstration of the electronic Financial Planning Worksheet (eFPW) will also be provided.

The importance of understanding all aspects of the FPW cannot be overstated. After completing chapters CFS 7 and CFS 8, you will be prepared to complete your own Financial Planning Worksheet, which is to be handed in for homework.

Chapter Correlation to Common CFS Task Areas:

1. **Education and Training:** The Developing Your Spending Plan Module of the PFMSC is incorporated into this segment of CFST. Although the PFMSC module is not strictly modeled, students have adequate exposure to the topic to allow them to present this segment. Several training techniques are used in this chapter including active lecture, case studies, and group brainstorming activities.

2. **Information and Referral:** Through learning about and using the Action Plan (within the Financial Health Assessment) in the FPW, learners become familiar with an important tool and are exposed to information and referral aspects of increasing income and savings, decreasing living expenses, and decreasing indebtedness.

3. **Counseling/Coaching:** Learners are introduced to the the major tool used in financial counseling/coaching in the PFM program, the Financial Planning Worksheet, and thus the planning and budgeting process, which are major counseling/coaching tasks. Training on using the projected column puts learners in a future orientation, a key element of Solution-Focused Financial Counseling.

II. LEARNING OBJECTIVES

Using the criteria in the Financial Planning Worksheet Checklist, the learner will accurately complete a personal Financial Planning Worksheet.
III. REFERENCES


*www.dfas.mil* (Defense Finance and Accounting Service)

*www.bls.gov* (Department of Labor Consumer Expenditure Survey)

*www.irs.gov* (Earned Income Tax Credit)

IV. CONTENT

The electronic and PDF versions of the *Financial Planning Worksheet* (FPW) can be obtained from your Installation Family Support Center Financial Counselor or Educator. See Appendix E for a blank copy of the FPW. Updated versions of the electronic *Financial Planning Worksheet* (eFPW) and PDF FPW can be found on the PFM milSuite site.
Financial Service Provider How-to Guide

Refer to the eFPW Instructions from the How-to Guide (this portion of the How-to Guide is found in Appendix E). The entire How-to Guide can be downloaded from the following resources:

1. **General Budgeting Guidelines:**
   - Living Expenses = 70% or less of net monthly income
   - Indebtedness as measured by the debt-to-income (D/I) ratio (minimum monthly credit payments, not including mortgage) = 20% or less of net monthly income
   - Saving and Investing = 10% or more of net monthly income

For Navy and Marine Corps Service members, overseas screening debt-to-income ratios need to be less than 30% to be eligible for overseas assignments and certain special duties.

Note that when you go through the transition course to separate or retire from the military, you will see different ratios allowed for your debt-to-income (D/I) ratio. This is normal because civilian employment benefits rarely include housing and your mortgage is included in the calculations. D/I for transition includes any mortgages. Because of this, a D/I less than or equal to 33% is acceptable; 34% to 49%, be cautious about taking on more debt; more than or equal to 50%, seek financial assistance.

2. **Debt-to-Income Ratio:** Total of monthly debt payments divided by net income x 100. (Net income is calculated by taking all of your gross income minus the four taxes: federal taxes, state taxes, FICA Medicare, and FICA Social Security.)

Debt-to-Income Ratio Example: Total Monthly Debt Payment = $300; Total Net Income = $1,500

\[
\frac{300}{1,500} = .20; \quad .20 \times 100 = 20\%
\]

- Less than 15% – Proceed with caution; use caution when taking on more debt to avoid going over 20%.
- 15% to 20% – Full extended; refrain from taking on more debt, work with your CFS or your Installation Family Support Center Financial Counselor or Educator to keep debt within recommended limits.
- 21% to 30% – Overextended; do not take on more debt; pay down existing debt, strongly encouraged to work with your CFS or your Installation Family Support Center Financial Counselor or Educator.
- More than 30% – Seriously overextended; seek help from professional debt-management experts or your Installation Family Support Center Financial Counselor or Educator.

3. **Change Federal Income Tax Withholding (FITW):** Help the client check their LES or Payslip and verify how much income tax is being withheld from their paycheck. Many Service members overpay taxes, when they could use the money on a monthly basis. If they are over-withholding, suggest they change their W-4 FITW with their accounting or finance office, or via the myPay or Direct Access system. Ask the client what their income tax refund was last year. Refer clients to [www.irs.gov](http://www.irs.gov).

Calculators on the IRS website can be used to determine withholdings, exemptions, and the impact of changes on cash flow. There is also more information in the How-to Guide for Financial Service Providers on withholding and the new tax laws.
4. **State Income Tax Withholding (SITW):** Must be changed separately from the change in FITW.

5. **Earned Income Tax Credit (EITC):** Is your client eligible for this refundable federal income tax credit for low-income and working individuals and families? The credit reduces the amount of federal tax owed. When the EITC exceeds the amount of taxes owed, it results in a tax refund to those who claim and qualify for the credit. Income and family size determine the amount of the EITC. For more detailed information, see the IRS website, www.irs.gov, or IRS Publication 596, The Earned Income Tax Credit and/or IRS Publication 3, Tax Issues for the Armed Forces.

6. **Food Stamps/FSSA:** Depending on your client’s income and family size, they may qualify for food stamps, which would tie in with the military’s Family Subsistence Supplemental Allowance.
**Financial Planning Worksheet Checklist**

**NET WORTH**
- Is cash value listed for insurance (not to include term policy or SGLI)?
- Did they use fair-market value of personal property (not what it cost originally)?
- Are debts owed to the government listed (advance/overpayments)?
- Is their net worth calculated?
- Do total liabilities match the total debt balances on the Indebtedness page (except for the mortgage balance)?
- Is the counselor information section filled out?
- Does the worksheet require a signature (financial Touchpoint, screening, required by command)?
- Is the worksheet dated?

**INCOME**
- Are the entitlement amounts correct? Verify with LES/Payslip or pay table.
- Check federal tax filing status (M/S) and state claimed are entered.
- Are federal and state taxes manually entered?
- What are allotments/advance/overpayments for? When will they end? (Enter in Remarks)
- Is the spouse working and their income included?
- Are other income sources listed as after-tax figures?
- For Coast Guard members, is the Payslip entered correctly (double their numbers to get monthly totals)?

**SAVINGS AND LIVING EXPENSES**
- Are there any monthly savings or investments listed? Pay yourself first and aim for 10% or more.
- Is there a cushion?

**INDEBTEDNESS**
- Do the total debt balances on this page match the total liabilities on the Net Worth page (except for the mortgage balance)?
- Are the APRs, minimum monthly payments, and balances listed on the Indebtedness page?
- Has the debt-to-income ratio been calculated?
- Is there a surplus or deficit? Has the Cash Flow Summary been completed correctly?

**GENERAL**
- Is any information counted twice?
- How do savings, expenses and indebtedness totals compare to 70-20-10 guidelines?
- Is there enough planned for insurance (auto, life, health, personal property)?
- Is money being set aside for holidays, anniversaries and birthdays?
- For those with children, even in public school, are any expenses listed under education?
- Are deduction and allotment items from the Income page carried forward as savings, living expenses, and debts?
- Are allotments used to contribute to savings and investments staying in those accounts, or, are they being pulled back out to pay for living expenses and debts?
- Are food expenses realistic? Check USDA estimates.
- Are personal expenses realistic? Have expenditures for all family members been included?
- Are the Remarks columns utilized?

**FINANCIAL HEALTH ASSESSMENT**
- Does the Financial Summary match the Cash Flow Summary from the Indebtedness tab?
- Does Net Worth match the Net Worth tab?
- Are options listed on the Action Plan?
- Has the Projected column been used to include options listed on the Action Plan?
- Is there at least one short-term, one medium-term, and one long-term goal listed along with the plan for achieving their goals?
Debt-to-Income Ratio Worksheet

Use this Worksheet to calculate your debt-to-income ratio.

1. Write down your net income (gross income less taxes).

2. List your minimum monthly debt payments (include credit cards, car loans, signatures loans, etc. Do not include mortgage, rent, utilities, etc.). Determine the total of all minimum monthly debt payments.

Minimum Monthly Debt Payments

A. ____________________________ $ __________
B. ____________________________ $ __________
C. ____________________________ $ __________
D. ____________________________ $ __________
E. ____________________________ $ __________
F. ____________________________ $ __________
G. ____________________________ $ __________
H. ____________________________ $ __________
I. ____________________________ $ __________
J. ____________________________ $ __________

Total Payments

Divide total payments from Step 2 by the net income from Step 1 and multiply by 100

\[
\frac{2}{1} \times 100 = \%)
\]

D/I Ratio

<table>
<thead>
<tr>
<th>D/I Ratio</th>
<th>Is it a “safe level” of debt?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 15%</td>
<td>Proceed with caution; use caution when taking on more debt to avoid going over 20%</td>
</tr>
<tr>
<td>15% – 20%</td>
<td>Fully extended; refrain from taking on more debt, work with your CFS or your Installation Family Support Center Financial Counselor or Educator to keep debt within recommended limits.</td>
</tr>
<tr>
<td>21% – 30%</td>
<td>Overextended; do not take on more debt; pay down existing debt, strongly encouraged to work with your CFS or your Installation Family Support Center Financial Counselor or Educator</td>
</tr>
<tr>
<td>More than 30%</td>
<td>Seriously overextended; seek help from professional debt-management experts or your Installation Family Support Center Financial Counselor or Educator</td>
</tr>
</tbody>
</table>
### Debt-to-Income Ratio Activity

#### Example:

<table>
<thead>
<tr>
<th>Total Net Income:</th>
<th>$3,750</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Debt Payments:</td>
<td>$680</td>
</tr>
<tr>
<td>D/I Ratio:</td>
<td>18.13%</td>
</tr>
<tr>
<td>Calculation:</td>
<td>$680 ÷ $3,750 x 100 = 18.13%</td>
</tr>
</tbody>
</table>

#### 1.

<table>
<thead>
<tr>
<th>Total Net Income:</th>
<th>$2,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Debt Payments:</td>
<td>$200</td>
</tr>
<tr>
<td>D/I Ratio:</td>
<td></td>
</tr>
<tr>
<td>Level of Debt:</td>
<td></td>
</tr>
</tbody>
</table>

#### 2.

<table>
<thead>
<tr>
<th>Total Net Income:</th>
<th>$6,460</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Debt Payments:</td>
<td>$2,800</td>
</tr>
<tr>
<td>D/I Ratio:</td>
<td></td>
</tr>
<tr>
<td>Level of Debt:</td>
<td></td>
</tr>
</tbody>
</table>

#### 3.

<table>
<thead>
<tr>
<th>Total Net Income:</th>
<th>$3,230</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Debt Payments:</td>
<td>$555</td>
</tr>
<tr>
<td>D/I Ratio:</td>
<td></td>
</tr>
<tr>
<td>Level of Debt:</td>
<td></td>
</tr>
</tbody>
</table>

#### 4.

<table>
<thead>
<tr>
<th>Total Net Income:</th>
<th>$5,290</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Debt Payments:</td>
<td>$1,112</td>
</tr>
<tr>
<td>D/I Ratio:</td>
<td></td>
</tr>
<tr>
<td>Level of Debt:</td>
<td></td>
</tr>
</tbody>
</table>
CFS 8
Morgan Wayne
Case Studies
Student Manual
I. INTRODUCTION

This chapter will allow the class to practice core CFS functions either individually or in teams through various scenarios. Each module of instruction builds from the learner’s basic financial education foundation with ways to approach and resolve each scenario. The four group case studies provide the capstone for course learning application. A group case study template is provided to allow the instructor latitude for a scenario based on common situations that are prevalent to the local installation/area.

Chapter Correlation to Common CFS Task Areas:

1. **Education and Training**: Learners are able to incorporate and execute all appropriate theory and concepts presented up to this point in training.

2. **Information and Referral**: Learners assign proper financial information and referrals based on needs.

3. **Counseling/Coaching**: Learners utilize practical application to formulate appropriate counseling.

II. LEARNING OBJECTIVES

The learner will complete *Financial Planning Worksheet* (including projections) and determine appropriate referrals.

III. REFERENCES

Not Applicable

IV. CONTENT

Groups/individuals will review the case study materials and:

- Produce a completed *Financial Planning Worksheet* (including projections)
- Complete the Action Plan with appropriate referrals
- Answer questions on Case Study Budget

A class debrief will be held after each case study. The instructor, one learner or one group may be asked to present the case study to the rest of the class.

The debrief should take **5 – 10 minutes**. The debrief should focus on the suggested action plan items, referrals made, and answers to the questions on the Case Study Budget.
Case Study One: Vesting in the TSP

Morgan Wayne is a 20-year-old Service member at your command. Morgan is an E-3 and is about to go over two years of active service next month. Morgan is currently married to Dana Kent who is also 20 years old. Dana is a civilian who works full time at a local credit union. Dana’s monthly net Income (after taxes) is $1,757.15 based on $12 an hour. Morgan lives off base and is receiving Basic Allowance for Subsistence (BAS) and Basic Allowance for Housing (BAH) with dependents. The couple is renting a two-bedroom apartment. Morgan has a 2-year-old rescue boxer named Ozzie.

Morgan and Dana know that they are supposed to save for their future, but don’t really understand the ins and outs of it all. With both of them working, they live comfortably and don’t think about money too much. They have never completed a household budget, they just check their account and if there is money there, they spend it on the things they want. They have not formally tracked their monthly expenses, but were able to provide good estimates of what they spend each month.

Morgan is part of the Blended Retirement System (BRS) and is contributing 3% of base pay to the Traditional TSP.

Morgan has the account number and password for the TSP account, but doesn’t log in. They are saving for retirement and that feels good. They think they could contribute more, but are not sure how that works and how it would change their household finances. Morgan received a notification regarding TSP Vesting and wants to know more about this milestone.

Assets:
Savings – $1,100
Checking – $1,300
TSP – $1,900
They have two cars:
  • 3-year-old Honda CRV: owes $16,978, standard features, approximate mileage 45,000
  • 7-year-old Hyundai Elantra: paid off, standard features, approximate mileage 110,000

The value of their furniture and personal possessions is approximately $3,000 and their wedding set is worth approximately $1,500.

Taxes:
FITW – S
SITW – Florida

Allotments:
$20 a month to Combined Federal Campaign
$300 to savings account
Additional Deductions:
SGLI – full coverage
FSGLI – full coverage
AFRH – $0.50
Traditional TSP 3%
TRICARE Dental – Single rate

Monthly Living Expenses:
Rent – $1,800
Cellphone – $120
Internet – $80
Electricity – $75
Groceries – $300
Dining out – $200
Coffee/snacks – $35
Gas for car – $120
Car washes – $20
Car insurance – $120
Renters insurance – $15
Clothing purchases – $75
Hair – $40
Personal care products – $30
Online streaming services – $60
Computer gaming – $5
Recreation/sports/entertainment – $250
Energy drinks – $35
Dog food, treats and toys – $50
Church contributions – $40

Debts
1. Car loan – Buckeye Credit Union – $325 a month, balance $16,978, original amount borrowed $25,000, APR 3.2%
2. Credit card – Buckeye Credit Union – minimum monthly payment $76, balance $2,626, credit limit $3,000, APR 17%
   Morgan actually pays $500 a month
3. Student loan (federal) – $250 a month, balance $4,700, original amount borrowed $4,700, APR 5%
   Morgan has a bachelor’s degree
4. PayPal Bill Me Later – paid off, credit limit $1,500, APR 25.49%
5. Computer Loan – Dell – minimum monthly payment $55, balance $352.80, original amount borrowed $750, APR 4.65%

Questions to answer
• What steps can Morgan Wayne take to better understand Vesting in the TSP?
• What two things happen for a Service member when they reach the point of vesting in the TSP and have reached two years of service?

At the end of this exercise:
1. Use the FPW to help Morgan Wayne construct a household budget (both actual and projected). Have they missed any regular recurring expenses that would be helpful for them to track? How about expenses that do not occur monthly?
2. Explain what happens with their TSP at two years of service.
3. Review what changes Morgan Wayne can make to maximize the TSP matching contributions.
4. Make appropriate recommendations using the Action Plan on the FPW. What are the recommended courses, information, and actions for Morgan Wayne to better understand saving for retirement using the TSP?
Case Study Two: Pre-Deployment

Morgan Wayne is a 22-year-old Service member at your command. Morgan is an E-4 and has three years of active service. Morgan is planning on reenlisting and serving at least 20 years, depending on how the next few years go.

Morgan is currently married to Dana who is also 22 years old. Dana is a civilian who works full time at the local credit union. Dana’s monthly net income (after taxes) is $1,866.81.

Morgan is receiving Basic Allowance for Subsistence (BAS) and Basic Allowance for Housing (BAH) with dependents. They recently moved to base housing with their 4-year-old rescue boxer named Ozzie, who was designated as an emotional support animal for Dana.

Morgan and Dana have recently started working on a household budget and they track their spending. They plan their spending to allow for a good lifestyle, while at the same time saving money for the future. They also try to minimize debt and are working on paying off their credit card.

Morgan and Dana are both saving for retirement and that feels good. Morgan is part of the Blended Retirement System (BRS) and is contributing 5% of base pay to the Roth TSP L-2065 fund. Both Morgan and Dana are considering opening Roth IRAs, as additional retirement savings.

Morgan and Dana would like to talk to a CFS about what they need to do prior to deployment. They are contemplating replacing the Elantra after Morgan returns from deployment.

Assets:
Savings – $1,600
Checking – $1,800
TSP – $2,700
Dana’s 401(k) – $900
They have two cars:
  • 5-year-old Honda CRV: owes $9,800, standard features, approximate mileage 61,000
  • 9-year-old Hyundai Elantra: paid off, standard features, approximate mileage 122,000

The value of their furniture and personal possessions is approximately $5,000 and their wedding set is worth approximately $1,500.

Taxes:
FITW – M-1
SITW – Florida

Allotments:
$20 a month to Combined Federal Campaign
$300 to savings account
Additional Deductions:
SGLI – full coverage
FSGLI – full coverage
AFRH – $0.50
Roth TSP 5%
TRICARE Dental – Single rate

Monthly Living Expenses:
Rent – Full BAH
Cellphone – $130
Internet – $80
Electricity – Included in housing
Groceries – $300
Dining out – $200
Coffee/snacks – $40
Gas for car – $120
Car washes – $20
Car and renters insurance (bundled) – $138

Clothing purchases – $75
Skin, hair, nails – $40
Personal care products – $35
Online streaming services – $60
Amazon Prime – $10
Computer gaming – $5
Recreation/sports/entertainment – $250
Energy drinks – $35
Pet food, treats and toys – $50
Church contributions – $40

Debts
1. Car loan – Buckeye Credit Union – $325 a month, balance $9,800, original amount borrowed $25,000, APR 3.2%
2. Credit card – Buckeye Credit Union – minimum monthly payment $82, balance $4,100, credit limit $5,000, APR 17%
   Morgan actually pays $400 per month
3. Student loan (federal) $250 per month, balance $2,200, original amount borrowed $4,700, APR 5%
4. PayPal Bill Me Later – paid off, credit limit $1,500, APR 25.49%

Questions to answer
• What steps can Morgan Wayne take prior to deployment?
• What two things should a Service member consider with pay before and during deployment?

At the end of this exercise:
1. Use the FPW to help Morgan Wayne revise and update a spending plan.
2. Ensure Morgan Wayne understands the changes to expenses and budget.
3. Calculate how much additional or less pay Morgan Wayne will receive during deployment.
4. Ensure Morgan Wayne is aware of possible tax implications of additional pay during deployment.
5. Review consumer protection with Morgan Wayne to prevent financial fraud and identity theft.
Case Study Three: Welcoming Your First Child

Morgan Wayne is a 23-year-old Service member at your command. Morgan is an E-5 and has 4 years of active service. Morgan is currently married to Dana who is also 23 years old. Morgan is planning on reenlisting and serving at least 20 years, depending on how the next few years go. Morgan returned from deployment 10 months ago. Both are expecting a baby boy in the next two months. They are very excited and plan to visit their families in Florida before the baby’s arrival. Dana is planning to work after the birth of the baby, but that may change if the cost of day care is too high.

Dana is a civilian who works full time at the local credit union. Dana’s monthly net income (after taxes) is $2,050.14.

Morgan is receiving Basic Allowance for Subsistence (BAS) and Basic Allowance for Housing (BAH) with dependents. They recently moved to base housing with their 5-year-old rescue boxer named Ozzie, who was designated as an emotional support animal for Dana.

Morgan and Dana have been working on a household budget and they track their spending. They plan their spending to allow for a good lifestyle, while at the same time saving money for the future. They also try to minimize debt and are working on paying off their credit card.

Morgan and Dana are both saving for retirement and that feels good. Morgan is part of the Blended Retirement System (BRS) and is contributing 7% of base pay to the Roth TSP L-2065 fund. Both Morgan and Dana are considering opening Roth IRAs, as additional retirement savings.

Morgan and Dana would like to talk to a CFS about what they need to do prior to the birth of their son, Nathan.

**Assets:**
- Savings – $2,800
- Checking – $2,100
- TSP – $9,000
- Dana’s 401(k) – $1,900

They have two cars:
- 6-year-old Honda CRV: owes $6,400, standard features, approximate mileage 72,000
- 10-year-old Hyundai Elantra: paid off, standard features, approximate mileage 130,000

The value of their furniture and personal possessions is approximately $9,000 and their wedding set is worth approximately $1,500.

**Taxes:**
- FITW – M-1
- SITW – Florida
Allotments:
$20 a month to Combined Federal Campaign
$300 to savings account

Additional Deductions:
SGLI – full coverage
FSGLI – full coverage
AFRH – $0.50
Roth TSP 7%
TRICARE Dental – Single rate

Monthly Living Expenses:
Rent – Full BAH
Cellphone – $130
Internet – $80
Electricity – Included in Housing
Groceries – $350
Dining out – $220
Coffee/snacks – $50
Gas for car – $140
Car washes – $20
Car and renters insurance (bundled) – $138
Clothing purchases – $75

Skin, hair, nails – $60
Personal care products – $50
Online streaming services – $60
Amazon Prime – $10
Computer gaming – $5
Recreation/sports/entertainment – $250
Energy drinks – $20
Pet food, treats and toys – $50
Church contributions – $50
CDC – Norfolk $600/month

Debts:
1. Car loan – Buckeye Credit Union – $325 a month, balance $6,400, original amount borrowed $25,000, APR 3.2%
2. Credit card – Buckeye Credit Union – minimum monthly payment $82, balance $1,100, credit limit $6,500, APR 17%
   Morgan actually pays $400 per month
3. Student loan (federal) – paid off
4. PayPal Bill Me Later – paid off, credit limit $1,500, APR 25.49%

Questions to answer:
• What steps can Morgan Wayne take prior to welcoming their first child?
• What two things concerning military and personal planning must a member do before a baby is born?

At the end of this exercise:
1. Use the FPW to help Morgan Wayne revise and update a spending plan.
2. Ensure Morgan Wayne understands the changes to expenses and budget.
3. Ensure Morgan Wayne understands the process to make sure the baby is added into DEERS.
4. Ensure Morgan Wayne understands the car-buying process.
5. Review home buying/renting options for the family.
Case Study Four: Entitlement to Continuation Pay

Morgan Wayne is a 29-year-old Service member at your command. Morgan is an E-6 with 11 years and 6 months of active-duty service. Morgan has two years remaining for current enlistment. Morgan’s goal is to serve 20 years.

Morgan is currently married to Dana, a 29-year-old civilian who works full-time at the local credit union. Dana’s monthly net income (after taxes) is $3,400.

Morgan is receiving Basic Allowance for Subsistence (BAS) and Basic Allowance for Housing (BAH) with dependents. They currently live in base housing with their children Nathan (6) and Tammie (4). They also have a corgi named Rocket and a tabby cat named Tiger.

Morgan and Dana have a household budget and they track their spending. Their budget allows for a good lifestyle, while at the same time saving money for the future. They also try to minimize debt and try to pay off credit cards every month. Moran and Dana want to buy a house for their growing family.

Morgan and Dana are both saving for retirement. Morgan is part of the Blended Retirement System (BRS) and is contributing 15% of base pay to the Roth TSP L-2065 fund. Both Morgan and Dana have Roth IRAs and they each contribute $400 a month. They also add $400 a month in savings. Over the years, Morgan placed a portion of reenlistment bonuses in CDs.

Morgan received a notification regarding the Entitlement to Continuation Pay and wants to know more about this milestone. Morgan is unsure of the requirements, amounts, and tax implications for Continuation Pay.

Assets:
- Cash – $200
- Savings – $16,400
- Checking – $4,500
- CDs – $11,000
- TSP – $76,000
- IRAs (both) – $42,000

They have two cars:
- 3-year-old Subaru Crosstrek: owes $9,800, standard features, approximate mileage 45,000
- 5-year-old Subaru Forrester: paid off, standard features, approximate mileage 98,000

The value of their furniture and personal possessions is approximately $9,000

Taxes:
- FITW – M-4
- SITW – Florida

Allotments:
- $20 a month to Combined Federal Campaign
- $400 to savings account
Additional Deductions:
SGLI – full coverage
FSGLI – full coverage
AFRH – $0.50
Roth TSP 15%
TRICARE Dental – Family rate

Monthly Living Expenses:
Rent – Full BAH
Cellphone – $150 (family plan)
Internet – $80
Electricity – Included in Housing
Groceries – $700
Dining out – $200
Coffee/snacks – $100
Gas for car – $200
Car washes – $20
Car and renters insurance (bundled) – $160
Clothing purchases – $200
Dry cleaning – $40
Skin, hair, nails – $120
Personal care products – $50
Big box purchases – $100
Rent – Full BAH
Cellphone – $150 (family plan)
Internet – $80
Electricity – Included in Housing
Groceries – $700
Dining out – $200
Coffee/snacks – $100
Gas for car – $200
Car washes – $20
Car and renters insurance (bundled) – $160
Clothing purchases – $200
Dry cleaning – $40
Skin, hair, nails – $120
Personal care products – $50
Big box purchases – $100
Online streaming services – $60
Music – $10
Amazon Prime – $10
Computer gaming – $5
Recreation/sports/entertainment – $250
Energy drinks – $60
Pet food, treats and toys – $60
Church contributions – $80
Sports fees for kids – $200
Family entertainment – $200
Averaged for costs for
Holidays/Birthdays – $100
Averaged for costs for
Anniversary/Birthdays – $50
Allowances – $80

Debts:
1. Car loan – Buckeye Credit Union – $525 a month, balance $9,800, original amount borrowed $16,275, APR 2.4%
2. Credit card – Buckeye Credit Union – minimum monthly payment $45, balance $1,670, credit limit $8,200, APR 17%
   Morgan tries to pay off card in full each month. The card earns them airline miles for annual vacation.
3. Credit card – Buckeye Credit Union – minimum monthly payment $49, balance $900, credit limit $11,000, APR 19%
   Morgan tries to pay off card in full each month. The card has a cash back program used for vacation spending.

Questions to answer:
• What steps can Morgan Wayne take to better understand Entitlement to Continuation Pay?
• What two things must a member complete to receive Continuation Pay?

At the end of this exercise:
1. Use the FPW to help Morgan Wayne revise and update a spending plan.
2. Ensure Morgan Wayne understands the requirements for Continuation Pay.
3. Calculate how much Continuation Pay Morgan Wayne will receive.
4. Ensure Morgan Wayne understands the tax implications when receiving Continuation Pay installments.
5. Review consumer protection with Morgan Wayne to prevent financial fraud and identity theft.
6. Review options for Morgan’s use of Continuation Pay.
I. INTRODUCTION

In this chapter we will have a brief review of recordkeeping systems. The best recordkeeping system is simple and one that actually will be used and kept up to date. For our purposes, we will focus on what clients should keep, where they should keep it, and how long they should keep it.

Chapter Correlation to Common CFS Task Areas:

1. Education and Training: No direct correlation
2. Education and Training: No direct correlation
3. Counseling/Coaching: This chapter will prepare the CFS to work with clients with no recordkeeping system in place, helping them to set up an appropriate system to assist in efficiently developing and maintaining a financial plan.

II. LEARNING OBJECTIVES

We will discuss the importance of tracking bills and due dates via a calendar. We will also learn various ways to assist Service members develop a simple recordkeeping system that fits their current needs.

III. REFERENCES

IRS Pub 552
www.irs.gov
www.ftc.gov
www.consumerfinance.gov
https://www.irs.gov/businesses/small-businesses-self-employed/how-long-should-i-keep-records
https://www.consumer.ftc.gov/articles/0527-shredding-infographic
https://www.consumer.ftc.gov/blog/2015/08/back-school-back-protecting-yourchilds-information
https://www.consumer.ftc.gov/articles/0272-how-keep-your-personal-information-secure
https://www.consumer.ftc.gov/articles/how-protect-your-phone-and-data-it

IV. CONTENT
Use this Bill Payment Calendar to see all your bills and plan when they are due

1. List the month and label the calendar with the dates of the month you want to plan for.

2. Make a list of all your bills.

3. For each bill, mark the payment date:
   - 7 days before the due date for mail,
   - 2 days before the due date for online.

4. Enter into the calendar when you receive income.

MONTH OF:

BILLS:

<table>
<thead>
<tr>
<th>Sunday</th>
<th>Monday</th>
<th>Tuesday</th>
<th>Wednesday</th>
<th>Thursday</th>
<th>Friday</th>
<th>Saturday</th>
</tr>
</thead>
<tbody>
<tr>
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</tr>
</tbody>
</table>
Six Simple Steps to Better Paper Recordkeeping
1. Get some file folders, hanging folders, or large envelopes, and a file box or cabinet.
2. Gather and organize your financial information.
3. Determine where each type of paper record should be kept – in a file cabinet or a fireproof/waterproof safe.
4. Place the “file cabinet” records in labeled file folders in a logical order.
5. Place appropriate records in a fireproof/waterproof safe.
6. Once a year, review and discard unneeded records.

Six Simple Steps to Better Electronic Recordkeeping
1. Create folders in logical hierarchy and nest folders within folders.
2. Give electronic files logical and specific names with dates included if applicable.
3. File the document as soon as you create it or receive it.
4. Back up your files regularly.
5. Restrict user access to certain files or folders on any shared computers.
6. Once a year, review and delete unneeded electronic files.

Items for Storage in Fireproof/Waterproof Safe

<table>
<thead>
<tr>
<th>Personal Documents</th>
<th>Estate-planning Documents</th>
<th>Ownership Documents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family birth certificates</td>
<td>Wills</td>
<td>Retirement and pension plan documents</td>
</tr>
<tr>
<td>Family death certificates</td>
<td>Living wills</td>
<td>Bonds and stock certificates</td>
</tr>
<tr>
<td>Marriage certificate</td>
<td>Durable power of attorney</td>
<td>Deeds</td>
</tr>
<tr>
<td>Divorce decree(s)</td>
<td>Health care proxies</td>
<td>Automobile titles</td>
</tr>
<tr>
<td>Baptismal certificates</td>
<td>Trusts</td>
<td>Copy of household inventories</td>
</tr>
<tr>
<td>Citizenship/naturalization papers</td>
<td>Letters of last instruction</td>
<td>Home ownership records</td>
</tr>
<tr>
<td>Adoption papers</td>
<td>Guardianship arrangements</td>
<td>Home sale records</td>
</tr>
<tr>
<td>Military discharge papers</td>
<td></td>
<td>Copies of trust document</td>
</tr>
<tr>
<td>Social Security cards</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Security benefit verification letters</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passports</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Obligations/Contracts</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Contracts</td>
<td></td>
</tr>
<tr>
<td>Life insurance policies</td>
<td></td>
</tr>
<tr>
<td>IOUs</td>
<td></td>
</tr>
</tbody>
</table>

.record retention
Three Years for Most Files
Tax Files and Information: SEVEN Years+
Homeownership Documents: As Long as You Own the Property
Fireproof/Waterproof Safe Contents: Indefinitely for Most Items

*see IRS Pub 552 or www.irs.gov for record retention relating to federal income taxes
Personal Financial Recordkeeping Organizer

Labels for Physical or Electronic File Folders

Banking and Bills
Bills due after this month
Bills due this month
Checking account transactions/statements
Credit card transactions/statements
Credit report
Debt-management plans
Savings account transactions/statements/passbooks
Loan or grant documents from military aid societies

Financial Planning
Financial planning worksheet
Insurance policies
  - Automobile
  - Health and medical
  - Home
  - Copies of life
  - Other
  - Personal liability
  - Property
Annuity policies

Investments
Investment account information and statements
IRA and other retirement account transaction statements
Stocks/bonds/mutual fund statements
  (original stock certificates and bonds should be kept in fireproof/waterproof safe)
TSP information

Job
Command information
Current resumes
Employment records/information
LES/Payslip and other pay information
Points of contact for emergency (military)
  - Command leadership
  - Ombudsman

Medical
Family dental records
Family health records
Insurance statements

Children
Important information for each child
529 or ESA account information
School information
Scholarship information
Copies of annual FAFSA completion

Personal
Certifications/licenses
Church information
Frequent flyer mileage statements
Legal papers
Names and Addresses of financial professionals
General and special powers of attorney

Household
Appliance manuals and warranty/guarantee information
Compliant letters
Household inventory
  (send copies to family and keep copies at work also)
Property tax information
Purchase information/receipts for expensive items
Repair records

Taxes
Business expense records
Current file for this year’s receipts and transactions
Past-years’ tax files

Vehicles
Buy/sell documents
Lease information
Maintenance and repair records
Registration
When to Shred

Shredding

Are you wondering what to keep and what to shred? We looked at experts’ advice and compiled this summary of how long they recommend keeping certain documents.

When should I shred it?

<table>
<thead>
<tr>
<th>Immediately</th>
<th>Up to 1 year</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Sales receipts</td>
<td>• Pay stubs</td>
</tr>
<tr>
<td>• ATM receipts</td>
<td>• Bank statements</td>
</tr>
<tr>
<td>• Paid credit card statements</td>
<td>• Paid, undisputed medical bills</td>
</tr>
<tr>
<td>• Paid utility bills</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>After 7 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Tax-related receipts</td>
</tr>
<tr>
<td>• Tax-related canceled checks</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>It depends...</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Auto titles</td>
</tr>
<tr>
<td>Keep as long as you own the vehicle</td>
</tr>
<tr>
<td>• Home deeds</td>
</tr>
<tr>
<td>Keep as long as you own the property</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Keep forever</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Birth certificates</td>
</tr>
<tr>
<td>• Social Security cards</td>
</tr>
<tr>
<td>• Marriage or divorce decrees</td>
</tr>
<tr>
<td>• Citizenship papers</td>
</tr>
</tbody>
</table>

Federal Trade Commission | FTC.gov
April 2015
I. INTRODUCTION

A variety of legal issues often are coupled with personal financial affairs. Service members are bound by both civilian law and military law. It is important for you to understand what resources are available to a client who might be facing legal difficulties. This chapter is meant as an overview of general legal issues and a guide for making the appropriate referrals when legal issues are part of a client’s financial issues. **The CFS should NOT attempt to provide legal advice.** The information presented is general in nature. It is meant as a starting point for recognizing and handling potential legal issues arising from personal financial management.

Chapter Correlation to Common CFS Task Areas:

1. **Education and Training:** There is no corresponding legal-issues module in the CFS Course. The information provided here is for the CFSs’ reference and will be useful in individual educational settings during a counseling session. Training techniques used are lecture format and short case study scenarios.

2. **Information and Referral:** Military Legal Assistance offices are a major referral resource for the CFS.

3. **Counseling/Coaching:** This chapter will help you recognize when a client has legal issues and assist you in making an appropriate referral, thus allowing the counseling process to focus on the client's financial issues.

II. LEARNING OBJECTIVES

Using a scenario-based activity, learners will identify situations for which a referral to Legal Assistance would be appropriate.
III. REFERENCES

DoD Instruction 1344.9 Indebtedness of Military Personnel MILPERSMAN 1754-030, Support of Family Members
Marine Corps Order 5800.16-V9, Legal Support and Administration Manual Volume 9

DoD Financial Management Regulations (FMR) Vol 7A ch 26 Section 260303

U.S. Army, AR 608-99, Family Support, Child Custody, and Paternity
   (Section II-Obligations to Provide Financial Support to Family Members)

Army Directive 2020-04 (Enhanced Interim Financial Support)

USCG COMDTINST M1600.2(series), Discipline and Conduct Manual


U.S. Army Legal Assistance —
   https://myarmybenefits.us.army.mil/Benefit-Library/Federal-Benefits/Legal-Assistance-Services

U.S. Coast Guard Legal Assistance — https://www.uscg.mil/Resources/legal/LMA/Legal_Assistance/


www.consumerfinance.gov

www.ftc.gov


Debt Collection FAQs, Federal Trade Commission, March 2018 —
   https://www.consumer.ftc.gov/articles/debt-collection-faqs

Credit and Your Consumer Rights, Federal Trade Commission, June 2017 —
   https://www.consumer.ftc.gov/articles/0070-credit-and-your-consumer-rights

“A Summary of Your Rights Under the Fair Credit Reporting Act,” Consumer Financial Protection Bureau,
consumerfinance.gov on 27 March 2020. May not be necessary to include as the FTC Credit and Consumer Rights article covers this in part. https://files.consumerfinance.gov/f/201504_cfpb_summary_your-rights-under-fcra.pdf


“Find a Lawyer and Affordable Legal Aid” — https://www.usa.gov/legal-aid

American Bar Association — www.abanet.org

Legal Information Institute of Cornell Law School — www.law.cornell.edu

www.findlaw.com

www.divorcesource.com

www.MilitaryOnesource.com

www.CGSUPRT.com

“The Servicemembers Civil Relief Act (SCRA),” The United States Department of Justice, October 1, 2019 — https://www.justice.gov/servicemembers/servicemembers-civil-relief-act-scra

https://www.justice.gov/servicemembers/page/file/1245331/download


Department of Defense Servicemembers Civil Relief Act (SCRA website) — https://scra-w.dmdc.osd.mil/scra/#/home


State Consumer Protection Offices directory at usa.gov — https://www.usa.gov/state-consumer


Department link — https://www.dcms.uscg.mil/ppc/legal/

https://www.annualcreditreport.com/index.action

https://www.consumer.ftc.gov/blog/2018/09/free-credit-freezes-are-here

https://ecfr.federalregister.gov/


IV. CONTENT
Top Tips to Avoid Legal Tangles

**Separation or Divorce**
- Seek legal assistance in drafting a separation agreement.
- Organize your documents.
- Review your credit report for discrepancies and/or unknown trade lines.
- Review bank statements and bills for unexpected charges.
- Retitle property to reflect any changes in ownership.
- Review wills, powers of attorney, and beneficiaries’ declarations and change as necessary.
- Set new goals.
- Close all joint accounts and establish new accounts in your own name.
- Create a new financial plan.
- Get a court order to enforce any agreement.
- Destroy and revoke any powers of attorney.
- Change passwords to bank, email and social media accounts.

**Dependent Support**
- If you are responsible for support, pay it, and keep a record of all payments made.
- If paternity is in question, get a paternity test. Refrain from taking any action that can be construed as child support, because it may be considered in establishing paternity. Fathers also can request the court’s assistance to determine paternity, custody and child support.
- If you are due child support and it is not being paid, visit your local child support enforcement office and seek assistance from Legal.
- An involuntary allotment for back child support will take priority over all other debts except those owed to the government.
- Retain copies of all documents (including checks) in case they are needed in the future.
- Get a court order to document the support agreement.

**Contracts**
- Read the fine print.
- Get everything in writing — no verbal promises.
- Understand all the terms of the contract — ask questions.
- Before signing any contract, but especially one for a vehicle purchase, take a copy of the unsigned contract to Legal to have an attorney review it.
- Be sure the whole contract is filled in — leave no blanks.
- A contract is presumed legally binding on both parties. If the seller wants to cancel the existing contract, change some of the terms (such as the interest rate) and sign a new one, you have the right to stay with the original contract if it was signed by both parties.
- Cancellation of a contract may require the agreement of both parties. Get it in writing, and deliver it via certified mail.
- Be wary of any rights you may waive regarding collection of delinquent accounts.

**Landlord/Tenant Transactions**
- Get a written lease — do not accept oral promises.
- If your lease does not have a military clause, then you will still have the protections of the Servicemembers Civil Relief Act (SCRA) as it applies to residential real property.
- Never waive your SCRA rights.
- Get renters insurance to protect your property, whether you are renting or living in government quarters.
- Thoroughly inspect the property before moving in and note IN WRITING any discrepancies. Retain your list for when you vacate. Take pictures or videos.
- See Legal with concerns about your lease.
Warranties and Service Contracts
• Read any warranty or service contract and know what is covered.
• Understand that the consumer may have expenses to claim warranty benefits.
• Seriously scrutinize any offers of an extended warranty or service contract. You probably don’t need it.
• Inspect anything you are going to purchase “as is.” What you see is what you get, and what you DON’T see is what you get (especially when it comes to used cars).
• When something goes wrong with an item, take action while the warranty is in effect.
• Implied warranties are valid even when not in writing. These are the warranty of merchantability — the item does what it is supposed to do (a toaster will toast) and the warranty of fitness for a particular purpose — the item will be suitable for the purpose which the seller said it was (such as a zero-degree sleeping bag).
• Express warranties can be oral or written — “limited” means only as specified by the seller, and “full” means completely guaranteed for a period of time.
• A product sold “as is” has no implied or expressed warranty. The seller has no liability for faulty goods.

Servicemembers Civil Relief Act (SCRA)
• If you think you have a defense under the SCRA, consult your installation’s Legal Unit.
• You have the right to stay court and administrative hearings for at least 90 days or longer if military service materially affects your ability to defend your interests. Request it in writing.
• You must request in writing the provision reducing interest to 6% on pre-service loans and obligations. See page 10-15.
• You and your family are protected from eviction if the monthly rent does not exceed a specified amount (amount adjusted annually). See Appendix G for current amount.
• If you undergo PCS or deploy for at least 90 days, you can terminate a lease, even without a military clause.
• You may have the ability to terminate your auto lease, especially if you undergo PCS OCONUS or deploy overseas.
• Refer to pages 10-12 to 10-15 for additional information on SCRA.

Credit, Collection and Bankruptcy
• Read all documents and keep a copy of all contracts and payments.
• Seek legal assistance and financial counseling early in the debt process when negotiation and settlement are more likely.
• If incorrect information is on your credit report, dispute it.
• Report in writing any loss or theft of credit cards or debit cards as soon as you realize they are missing.
• If you are being harassed by third-party collection agents, ask them in writing to stop calling you. Seek debt management counseling.
• Get debt management counseling before talking to a bankruptcy attorney and after filing for bankruptcy.
1. **USN: MILPERSMAN Article 1754.030 — Relevant Excerpts**

Support obligations: “The Navy will not act as a haven for personnel who disregard or evade obligations to their legal dependents.” “All members shall provide adequate and continuous support for their lawful family members and fully comply with the provisions of separation agreements and valid court orders.”

**Guidelines**

- Spouse only ............................................ 1/3 gross pay
- Spouse and one minor child ................. 1/2 gross pay
- Spouse and two or more children .......... 3/5 gross pay
- One minor child .................................... 1/6 gross pay
- Two minor children ............................ 1/4 gross pay
- Three minor children ........................... 1/3 gross pay

Gross pay is basic pay plus Basic Allowance for Housing. This is a guideline to use until a mutual agreement is reached or a court order is issued. The Navy provides counseling regarding non-support issues but does not possess the direct authority to force Service members to provide support. Failure to support dependents is a criminal offense in most states. The military recognizes a Service member’s moral and legal obligation to support family members and as such provides for involuntary allotments from Navy pay for support obligations. When a member is receiving BAH with dependents, the money is to be used for the support of dependents. Non-support while receiving BAH/D will result in recoupment and possible disciplinary action.

2. **USMC: Marine Corps Order 5800.16 w CH 1, Volume 9 – Relevant Excerpts**

010403. In cases where the amount of support has not been fixed by court order or written support agreement signed by both parties, and upon a complaint of nonsupport to a commanding officer, each family member entitled to support under this Volume shall receive, at a minimum, a pro-rata share of the applicable Basic Allowance for Housing or Overseas Housing Allowance to which the Marine is entitled, as reflected below.

<table>
<thead>
<tr>
<th>Total Number of Family Members Entitled to Support (not including the Marine)</th>
<th>Share of Monthly BAH/OHA per Requesting Family Member</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1/2</td>
</tr>
<tr>
<td>2</td>
<td>1/3</td>
</tr>
<tr>
<td>3</td>
<td>1/4</td>
</tr>
<tr>
<td>4</td>
<td>1/5</td>
</tr>
<tr>
<td>5</td>
<td>1/6</td>
</tr>
<tr>
<td>6 or more</td>
<td>1/7, or etc.</td>
</tr>
</tbody>
</table>

010404. The number of family members entitled to support under this Volume does not include (1) a Marine’s former spouse, regardless of whether the Marine is providing financial support to the former spouse; (2) a Marine’s present spouse who is on active duty in one of the military services; or (3) a family member for whom the Marine is not required to provide financial support under this Volume, or for whom the Marine has been released by his or her commanding officer from the regulatory requirement to provide financial support under this Volume.
010405. Commanding officers should refer to the JTR, Chapter 10, which details various types of Marine and family member living arrangements that will affect BAH/OHA eligibility. The intent of this Volume is to ensure that Marines provide, at a minimum, support consistent with their BAH/OHA eligibility.

010406. Under no circumstances shall the total amount of support paid to all family members entitled to support exceed 1/3 of the Marine’s gross military pay per month. Gross military pay is defined as the total of all military pay and allowances before taxes and other deductions.

010407. The Marine may request the commanding officer deviate from the amount of interim support required under this Volume. If the facts of the particular case are consistent with one of the reasons for modification as set forth in paragraph 0105, the commanding officer may decrease or terminate the amount of interim support to be paid, but only after consulting with the appropriate Staff Judge Advocate.

010408. Financial support established by a commanding officer under this Volume shall continue until such time as a written support agreement signed by both parties is reached, a court order is obtained, or the commanding officer modifies or terminates the interim support order in accordance with paragraph 0105.

3. USA: AR 608-99, Family Support, Child Custody, and Paternity — Section II-Obligations to Provide Financial Support to Family Members (see para 2-3 Thru 2-9) and Army Directive 2020-04

Regardless of separation, Soldiers are responsible for managing their personal affairs in a manner consistent with the Army’s core values. The Soldier’s responsibilities include: (1) maintaining reasonable contact with family members so that their needs and welfare do not become a matter of concern for the Army; (2) conducting themselves in an honorable manner with regard to parental and spousal commitments and responsibilities; (3) providing adequate financial support to family members; and (4) complying with any court orders or written financial agreements. In an effort to ensure each Soldier fulfills his or her responsibilities, the Army created Army Regulation (AR) 608-99, Family Support, Child Custody, and Paternity.

Calculation of the amount determined:

Absent an oral or written agreement or court order expressly addressing financial support, AR 608-99 requires the Soldier to pay a pro rata share of the Basic Allowance for Housing (BAH) II-WITH amount. This amount is the BAH allowance without consideration of the geographic duty location. The pro rata share looks like this:

\[
\text{Pro Rata Share} = \frac{1}{\text{Total # of supported family members}} \times \text{Applicable BAH II – WITH Rate}
\]

For example, if a Specialist (E-4) has a child from a previous marriage living with the other biological parent and still has to support the current spouse, the formula would be as follows (BAH Rate: $732.30):

\[
\text{Pro Rata Share} = \frac{1}{2} \times \$732.30 = \$366.15/\text{month}
\]

Exceptions or rules may apply under AR 608-99 to eliminate or reduce support:

AR 608-99 only “kicks in” if there is no oral or written agreement or court order specifically addressing financial spousal support. Additionally, under certain scenarios, the amount of support the Soldier is required to pay is less than the amount established by AR 608-99 (BAH II-WITH).
These include the following:

Family in government housing: No additional support is required. However, when the spouse/family moves out, the Soldier will pay BAH II – WITH regardless whether or not the Soldier is receiving BAH.

Other family is residing in DIFFERENT locations:

Each family member NOT residing in government housing receives a pro-rata share of the Soldier’s BAH II – WITH (as discussed above regarding pro rata shares). In-Kind payments:

AR 608-99 allows the Soldier to deduct certain non-government housing expenses on behalf of family members if the family members are living in that residence. Paying for any of the following may reduce or eliminate the total amount due under AR 608-99: (1) rent; (2) principal and interest due on any outstanding loan secured (i.e. mortgage), and any associated property taxes and home insurance for that property; (3) essential utilities such as gas, electricity and water.

In-kind payments do NOT include: telephone/cellular bills, cable/satellite television, car payments, or any other insurance not related to the property where the family resides.

My spouse is also on active duty: The Soldier is not required to provide financial support if there is no support agreement. With regard to children, in the absence of an agreement or order, the Soldier will provide the following:

NO Custody & Children NOT in government housing: the Soldier provides BAH – DIFF (BAH II-WITH minus BAH II – WITHOUT) to the military family member with custody.

NO Custody & Children IN government housing: no support required to the military member with custody.

Soldier has Custody: No support required.

Enhanced Interim Financial Support:

Army Directive 2020-04 supplemented Army policy on requirements for spousal financial support. The directive established an additional requirement for Soldiers to make enhanced interim financial support payments to non-active-duty spouses when a Soldier initially becomes required to provide interim support pursuant to AR 608-99, paragraphs 2-6 and 27a(3). Enhanced interim financial support is temporary and designed to provide for sustenance and additional necessary expenses that initially arrives when a Soldier and spouse separate, or when the time to obtain a court order is prolonged because of a lack of access to appropriate courts of competent jurisdiction. Enhanced interim financial support payments will be made in an amount equal to the Basic Allowance for Housing-Differential (BAH-DIFF) and applies to all separated Soldiers, including those with families residing in government-owned or leased housing as well as those who may be providing “in-kind” support by paying rent or utilities directly to their landlord or other vendors.

Amount may increase under AR 608-99:

A support obligation under 608-99 may increase for two common reasons:

(1) BAH II charts are updated each year. Just like regular BAH amounts, BAH II amounts often rise and adjust due to inflation, or
(2) If promoted, the Soldier must increase support with the new pay grade.

Support Expires:

You will need to comply with any court orders or financial support agreements if either exists. Support requirements will also end when another financial support agreement is made, once the marriage is terminated, or the Soldier’s commander relieves the Soldier of the support obligation.
**Commander’s Responsibilities:**

The commander is responsible for enforcing 608-99. Although the commander cannot order you to pay arrears (the past due amounts), he or she can order you to pay once he or she becomes aware of valid support obligations. If the Soldier refuses to pay after he or she has been ordered, the commander may take the following action(s):

1. Counseling
2. Admonition
3. Memorandum of Reprimand
4. Bar reenlistment
5. Administrative separation
6. Nonjudicial punishment under UCMJ, Art. 15
7. Court-martial; charged with violating UCMJ, Art. 92

4. **USCG: USCG COMDTINST M1600.2, 2.E. – Relevant Excerpts**

“The Coast Guard will not be a haven or refuge for personnel who disregard or evade their obligations to their families. All members of the Coast Guard are expected to conduct their personal affairs honorably and lawfully. This obligation specifically includes the responsibility to provide adequate and continuous support for lawful dependents, and to comply with the terms of support clauses which may be contained in separation agreements and divorce decrees.”

**Guidelines**

**Support while Legally Separated** is the court-ordered amount or:

- Spouse only: BAH difference plus 20% of basic pay
- Spouse and 1 child: BAH difference plus 25% of basic pay
- Spouse and 2+ children: BAH difference plus 30% of basic pay

(BAH difference is defined as the difference between BAH with dependents and BAH without dependents.)

**Support after Divorce:**

- Spouse: Court-ordered amount or $0 if the divorce decree is silent on the matter of spousal support

- Children: Court-ordered amount; $0 if the divorce decree refers to the existence of children, but is silent on the matter of obligation to provide support for such children; or the below guidelines if the divorce decree makes no reference to existing minor dependent children of the dissolved marriage:
  - 1 child: 16.7% of basic pay
  - 2 children: 25% of basic pay
  - 3+ children: 33% of basic pay
5. Marital Debts
Marital debt is subject to division by mutual agreement or court order. Before such an agreement or court decree, both parties are equally responsible for joint debts and individually responsible for debts solely in one spouse’s name. Each party can protect themselves to some extent by closing any joint credit or checking accounts and notifying all creditors of their wishes regarding future charges. Note: if a debt is under the name of Spouse A, and the mutual agreement or court order says Spouse B must pay the debt, if Spouse B does not pay the debt, Spouse A still is liable for the debt according to the creditor. Creditors always will seek repayment from the party who contracted for and agreed to legal liability for the debt (not the court order). Because the creditors are not named or involved in the divorce the court has no authority over the debt a spouse owes to it. If both names are on the credit contract, creditors can and will go after either or both, regardless of court order or mutual agreement.

6. Children
Your children are those who are born while married, adopted or determined by paternity test. This does not include stepchildren.

Service members seeking to adopt a child should be referred to the military Legal Assistance office. The legal issues of adoption include citizenship, documentation, wills, reimbursements, adoption tax credit, adding child to military systems, and DEERS enrollment. Refer to the *Welcoming Your First Child* Touchpoint Checklist for additional assistance.
Contracts

A contract is a written or oral agreement between two or more parties to do, or refrain from doing, some action. It essentially consists of three elements: offer, acceptance and exchange.

1. **Clauses:** There are several key clauses to consider in the “fine print” of a consumer credit contract that refer to the rights and responsibilities of the creditor and debtor if payments are missed. Remember, “the big print giveth, and the fine print taketh away.”

   - **Security Clause:** This clause itemizes the property that the creditor may claim as collateral if the member does not pay the loan as agreed. The item purchased may be the collateral as well as any other items the member may have pledged to obtain the loan.
   - **Attorney’s Fee Clause:** This clause states that the member is responsible for paying the creditor’s attorney’s fees if the creditor sues the member for non-payment.
   - **Repossession Clause:** This clause states that if the item purchased is repossessed, the Service member still is responsible for paying any outstanding balance on the loan if the creditor does not receive enough money when the collateral is sold to pay off the loan, as well as other charges related to the repossession.
   - **Late Fee Clause:** This clause states when and how the creditor will charge the Service member late fees if payments are not made as agreed.
   - **Acceleration Clause:** This clause states that if the debtor defaults on the loan, the creditor can demand payment of the outstanding balance. A default can be only ONE missed payment.

2. **Cancellation:** Generally, a contract is binding on both parties and cannot be canceled by one party without the express permission of the other party. Some contracts, however, contain various “cooling-off” provisions that allow the purchaser to cancel the contract within a specified period of time. Make sure any applicable cancellation provisions are in writing in the body of the contract itself. When canceling, always send the notice in writing via certified mail.
Servicemembers Civil Relief Act (SCRA)

What Is the Servicemembers Civil Relief Act?
In 2003, the Soldiers’ and Sailors’ Civil Relief Act of 1940 (SSCRA) was rewritten and renamed the Servicemembers Civil Relief Act (SCRA). The bill was signed into law by President Bush on 19 Dec. 2003. The law now governs legal protections for members of the U.S. military. Since 2003, additional laws have extended and modified the protections under the SCRA.

Who Is Covered?
SCRA (for all) begins on the first day of active duty, which means when the person ships out to basic training (basic training and job-school are considered active duty for Guard and Reserve personnel, as well as active-duty personnel). Reservists and members of the National Guard (when in active federal service) also are protected under the law. Some protections under the act extend for a limited time beyond active-duty discharge or release but are tied to the discharge/release date. Additionally, some of the act’s protections extend to the member’s dependents.

National Guard members recalled for state duty also are protected by the Servicemembers Civil Relief Act in certain circumstances. National Guard members are entitled to SCRA protection when called to state active duty under Title 32, if the duty is because of a federal emergency; the request for active duty is made by the president or secretary of defense; and the member is activated for longer than 30 days.
Overview

- The Servicemembers Civil Relief Act, also referred to as the “SCRA” is a federal law that provides financial and housing protections and benefits to Service members as they enter the military service.
- The SCRA revised and expanded the Soldiers’ and Sailors’ Civil Relief Act of 1940, a law designed to ease financial burdens on Service members.
- The legal citation for the SCRA is 50 U.S.C. §§ 3901.4043.
- This guide summarizes some of the most common protections and benefits under the SCRA and how to contact the Department of Justice to file a complaint.

Who Is Covered?

- Those in the military service. This includes the following: (1) full-time active-duty members or the five military branches; (2) reservists on federal active duty (3) members of the National Guard on federal orders for more than 30 days; (4) Service members absent from duty for a lawful cause or because of sickness, wounds, or leave; and (5) commissioned officers in active service of the Public Health Service of the National Oceanic and Atmospheric Administration. 50 U.S.C. §§ 3911(2).
- Dependents of Service members are eligible for some of the benefits as well. Some dependent benefits, like terminating a lease, are available upon application to a court. 50 U.S.C. §§ 3959.
- The term “dependent” includes a Service member’s spouse, children, and any other person for whom the Service member provided more than half of their financial support for the past 180 days. 50 U.S.C. §§ 3911(4).
- For most, SCRA protections begin on the date they enter active-duty military service.
- For Reservists, protections begin upon the receipt orders. 50 U.S.C. §§ 3917.

A Cautionary Note on Waivers: Section 3918

- Any of the rights and protections provided for in the SCRA may be waived. 50 U.S.C. §§ 3918(a). But written waivers must be in at least 12-point font. 50 U.S.C. §§ 3918(c).
- For contracts, leases (including apartment leases), and mortgages, all modifications, terminations, and cancellations require a written waiver of rights. 50 U.S.C. §§ 3918(b).
- Written waivers are effective only if executed during or after the relevant period of military service. 50 U.S.C. §§ 3918(a).
- In order to be effective, the written waiver must be its own document. 50 U.S.C. § § 3918(a).

To learn more, visit servicemembers.gov
Five Key Provisions of the SCRA

SEC. 3937: The 6% Interest Rate Cap
- The SCRA limits the amount of interest that may be charged on certain obligations, such as credit cards, vehicle loans, and mortgages, that were incurred prior to military service to no more than 6% per year, including most fees. 50 U.S.C. §§ 3937(a)(1). & (d)(1)
- In order to receive this interest rate cap, a Service member shall provide the creditor with a written notice and either a copy of his or her military orders, or “any other appropriate indicator of military service, including a certified letter from a commanding officer.” 50 U.S.C. §§ 3937(b)(1)(A).
- These documents must be provided to the creditor within 180 days of the end of the Service member’s military service, 50 U.S.C. § 3937(b)(1)(A), and once a creditor receives them, the creditor must forgive, not defer, interest at a rate greater than 6% per year. Id. at § 3937(a)(2).
- The creditor must forgive this interest retroactively and is prohibited from accelerating the payment of principal. 50 U.S.C. §§ 3937(a)(1) & (b)(2).
- For mortgagees, interest is capped at 6% during the entire period of military service and for one year after the period of military service. 50 U.S.C. §§ 3937(a)(1)(A). For all other obligations, interest is capped at 6% only for the duration of the period of military service. Id. at § 3937(a)(1)(B).
- A creditor may independently verify the active-duty military status of borrowers with the Defense Manpower Data Center and rely on that information if the Service member has not provided contradictory proof of military service. 50 U.S.C. § 3937(b)(1)(B).

SEC. 3952: Repossessions
- A creditor may not repossess a vehicle during a borrower’s period of military service without a court order, as long as, before entering military service, the Service member borrower either: (1) placed a deposit for the vehicle; or (2) made at least one installment on the contract. 50 U.S.C. § 3953.

SEC. 3953: Non-Judicial Foreclosures
- During a period of military service, and for one year after a period of military service, a creditor must get a court order prior to foreclosing on a Service member’s mortgage. 50 U.S.C. §§ 3953(a) & (c).
- The mortgage at issue must have been taken out by a Service member prior to entering military service in order for this protection to be applicable. 50 U.S.C. § 3953(a)(1).
- Courts have the ability, and a duty in certain instances, to postpone a non-judicial foreclosure proceeding. 50 U.S.C. § 3953(b).

SEC. 3931: Default Judgments
- In any civil court proceeding, including a judicial foreclosure proceeding, in which the defendant Service member does not make an appearance, a plaintiff creditor must file an affidavit with the court stating one of three things: (1) that the defendant is in the military service; (2) that the defendant is not in military service; or (3) that the creditor is unable to determine whether or not the defendant is in military service after making a good faith effort to determine the defendant’s military service status. 50 U.S.C. § 3931(b)(1).
- Where the defendant is not made an appearance and it seems that he or she in military service, a court may not enter a default judgment until after it appoints an attorney to represent the interests of that defendant. 50 U.S.C. § 3931(b)(2).
- The court must postpone a civil court proceeding for at least 90 days if that appointed attorney has been unable to contact the defendant Service member, or if there may be a defense to the action that requires that the defendant be present. 50 U.S.C. § 3931(d).

SEC. 3955: Residential and Vehicle Leases
- Service members may terminate residential or vehicle leases acquired prior to military service at any time after the Service member’s entry into military service; or if the leases are acquired while in military service, after the date of the Service member’s military unit, or as an individual in support of a military operation, for a period of not less than 90 days. 50 U.S.C. §§ 3955(a) & (b).
- To terminate a lease, a Service member must submit a written notice and a copy of his or her military orders – or a letter from a commanding officer – to the lessor or lessee’s agent. 50 U.S.C. § 3955(c).
- If a Service member pays rent on a monthly basis, once he or she gives proper notice and a copy of his or her military orders, then the lease will terminate 30 days after the next rent payment is due. 50 U.S.C. § 3955(d)(1).
- In the case of a lease of a motor vehicle, the Service member must return the motor vehicle to the lessor or the lessor’s agent, not later than 15 days after the date of the delivery of written notice. 50 U.S.C. § 3955(c).

Foreclosures: SEC. 3953 & 3931
- Foreclosures can proceed in one of two ways, either judicially (through a court process), or non-judicially (without a court’s involvement).
- The SCRA treats the two types of foreclosure proceedings very differently, and states typically dictate which way foreclosures will proceed within their borders. 50 U.S.C. §§ 3931, 32 & 53.

CONTACT INFORMATION
2002-307-SCRA (7272)
servicemembers@usdoj.gov
Sample SCRA Letter

Instructions
(1) Meet with a licensed attorney at an armed-service Legal Assistance office to discuss your specific situation.
(2) Obtain a copy of your orders to active duty.
(3) Replace the bolded portions in the template with the applicable information.
(4) Print and sign the letter.
(5) Attach a copy of your orders to active duty.
(6) Make at least one (1) copy of the letter with all attachments to keep for your own records.
(7) Send the original letter via certified mail, return receipt requested.
(8) Retain any written response from the creditor for your own records.
(9) Follow up with a licensed attorney at an armed-service Legal Assistance office to address any concerns.

Date

Rank and Full Name
Street Address
City, State ZIP Code

Creditor’s Name
Street Address
City, State ZIP Code

RE: Rank and Full Name’s Financial Obligation – Account No. ######

Dear Sir or Ma’am:

Pursuant to the Servicemembers Civil Relief Act (“SCRA”) 50 U.S.C. App. Section 527, this letter is my formal written request to reduce the rate of interest to six percent (6.0%) for the above referenced account.

I am currently serving on active duty with the Branch of Armed Forces. I entered active duty on Date, which was after the time I incurred the above referenced debt. The SCRA establishes a six percent (6.0%) per annum ceiling on interest during the period of a Service member’s military service. This reduced rate became effective upon my entry to active duty on Date, and shall be applied retroactively to date of entry to active duty.

Under the SCRA, any interest in excess of 6.0% per year shall be forgiven. Additionally, any payments shall be reduced by the amount of interest forgiven which is allocable to the period of such payment.

Please find the attached copy of My Orders to Active Duty.

If you have any questions or concerns, you may contact me at the above address, or my commanding officer’s address on the attached letter.

Respectfully Submitted,

Rank and Full Name

Attachment:

Orders to Active Duty

SOURCE of Example SCRA Letter:
https://www.29palms.marines.mil/Portals/56/Docs/SJA/SCRA%20-%20Letter%20for%20Reduced%20Rate%20of%20Interest.pdf
Here are some of the major laws that you need to know:

1. **Federal Truth-in-Lending Act**: The purpose of the act is to protect consumers by requiring lenders to provide a meaningful disclosure of credit terms before making a loan or extending credit. By having this information, consumers will be better able to comparison shop for the best terms and rates. The act does NOT regulate the amount that lenders may charge for financing, the balance upon which the finance charge is imposed, or the security interests.

   **Federal Truth-in-Lending Disclosures**

<table>
<thead>
<tr>
<th>ANNUAL PERCENTAGE RATE</th>
<th>FINANCE CHARGE</th>
<th>AMOUNT FINANCED</th>
<th>TOTAL OF PAYMENTS</th>
<th>TOTAL SALE PRICE</th>
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</thead>
<tbody>
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<td>$1290.00</td>
<td>$6509.00</td>
<td>$7800.00</td>
<td>$9100.00</td>
</tr>
</tbody>
</table>

   YOUR PAYMENT SCHEDULE WILL BE

<table>
<thead>
<tr>
<th>NUMBER OF PAYMENTS</th>
<th>AMOUNT OF PAYMENTS</th>
<th>WHEN PAYMENTS ARE DUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>24</td>
<td>$325.00</td>
<td>Monthly Beginning 6 mos. ago</td>
</tr>
</tbody>
</table>

   A Final Payment of $ Due On

   *Late Charge*. If a payment is not paid in full within 7 days after it is due, you will pay a late charge of 5% of amount of payment due.

   *Prepayment*. If you pay off early on Contract with a precomputed finance charge, you will be entitled to a refund of part of finance charge. If the finance charge is calculated on a simple interest method, you may have to pay a prepayment penalty.

   *Security Interest*. You are giving a security interest in the Property and related equipment being purchased and in our right of setoff.

2. **Fair Credit Billing Act**: The purpose of this act is to help consumers resolve disputes with creditors over billing errors, including transactions by unauthorized users, and to ensure fair handling of credit accounts. Billing errors include charges made by an unauthorized user; charges for goods or services not accepted by the consumer; computation errors; and charges for the wrong amount or on the wrong date. The consumer must notify the creditor in writing within 60 days of receiving an incorrect bill. The creditor will investigate, and if the claim is valid the maximum liability is $50.

3. **Electronic Funds Transfer Act**: Adopted to provide protection to EFT users. This affects the use of many point-of-sale transfers, ATM transfers, direct deposits, withdrawal of funds, transfers by telephone, debit cards, and credit cards used as debit cards. A major tenet of this act regards cardholder liability for unauthorized transfers. Consumers are liable only for the first $50 of unauthorized use if they notify the issuing company within TWO business days after the loss or theft. If the cardholder notifies the issuer between two and 60 days after the loss or theft, liability rises to $500. If the consumer fails to notify the issuer within 60 days, the liability can be unlimited. Notification can be oral or written. Note how this differs from liability for unauthorized use of a credit card under the Fair Credit Billing Act.
4. **Fair Debt Collections Practices Act**: The purpose of this act is to eliminate abusive debt-collection practices, ensure that those collectors who refrain from using abusive debt-collection practices are not competitively disadvantaged, and promote consistent state action to protect consumers against debt-collection abuses. This act applies to “debt collectors” only. Debt collectors may not:

- Harass, oppress or abuse any person by making threats of violence, using obscene or profane language, or by using the telephone repeatedly to annoy,
- Call before 8 a.m. or after 9 p.m.,
- Make any false statements when collecting a debt, or
- Engage in unfair practices in attempting to collect a debt by depositing a post-dated check before the date on the check or by taking a debtor’s property unless done legally.

Debtors have the right to notify a debt collector in writing to have no further contact with them. The law allows the collector one final contact, usually to invoke a specific remedy. If the collector continues to contact the debtor after a written request has been made to cease all contact, the debtor has the right to report the violation to the Federal Trade Commission for action. In cases like these, the members should seek assistance from their local Legal Assistance Office.

5. **Fair Credit Reporting Act**: The purpose of this act is to ensure that consumer credit reporting agencies furnish correct and complete information to businesses for use in evaluating applications for credit, insurance or employment. Mistakes do occur, and you are wise to check your report periodically and correct any erroneous information. Among other things, this act gives you the right to see your credit bureau file and to dispute the completeness or accuracy of the report. It also requires disclosure to you of the name and address of any credit reporting agency that supplied information about you. Further, it gives you the right to put a 100-word statement on your credit report.

6. **Fair and Accurate Credit Transaction Act**: This amendment to the Fair Credit Reporting Act is intended primarily to help consumers fight identity theft. Among other things, this act gives you the right to one free credit report annually. It also allows free access to specialty reports (medical, insurance, and check-writing history) annually. FACTA provides the right to add a “fraud alert” to your file if you have been the victim of identity theft. It also provides for “active-duty alerts” for military members — a very useful idea when going overseas.

7. **Equal Credit Opportunity Act**: It provides for credit being granted to all consumers in a fair and equitable manner. It prohibits discrimination based on sex, marital status, race, national origin, religion, age or the receipt of public assistance. This prohibits women from having to reapply for credit due to separation or divorce. A person still can be denied credit if they fall into one of these categories, but a poor credit history is the only allowable reason for denial of credit.

8. **Military Lending Act**: Creditors may not impose an annual percentage rate of interest greater than 36% for any consumer credit (including any consumer credit originated or extended through the internet) to a covered member or a dependent of a covered member. See the next page for more details on the Military Lending Act.

9. **Economic Growth, Regulatory Relief, and Consumer Protection Act (S. 2155)**: This requires credit bureaus to offer free basic credit monitoring services to military personnel. For everyone, it expands the FCRA to provide for free security freezes (“credit freezes”) and extends the fraud alert from 90 days to 1 year.

10. **Bankruptcy**: This is a legal proceeding provided by federal law, in which people who cannot pay their bills can get a fresh financial start. Refer Service members considering bankruptcy to your local Legal Assistance Office and to financial or debt management counseling.
What Are My Rights Under the Military Lending Act?

The Military Lending Act (MLA) says that you can’t be charged an interest rate higher than 36% on most types of consumer loans and provides other significant rights.

The MLA applies to active-duty Service members (including those on active Guard or active Reserve duty) and covered dependents.

What types of loans are covered under the Military Lending Act?
As of October 3, 2016, most types of consumer loans offered to active-duty Service members and their dependents have to comply with the Military Lending Act (MLA). These credit products include, but are not limited to:

- Payday loans, deposit advance products, and vehicle title loans,
- Overdraft lines of credit, but not traditional overdraft services, and
- Installment loans, with the exceptions noted below.
- Credit cards (note: credit card companies did not have to comply until Oct. 3, 2017)

There are some loans the MLA doesn’t cover – namely, credit that is secured by the property being purchased. These loans include:

- Residential mortgages (financing to buy or build a home that is secured by the home), mortgage refinances, home equity loans or lines of credit, or reverse mortgages,
- A loan to buy a motor vehicle when the credit is secured by the motor vehicle you are buying, and
- A loan to buy personal property when the credit is secured by the property you’re buying, like a vehicle or home appliance.

Your rights under the MLA include:

- A 36% interest cap. You can’t be charged more than a 36% Military Annual Percentage Rate (MAPR), which includes the following costs in calculating your interest rate (with some exceptions):
  - Finance charges,
  - Credit insurance premiums or fees,
  - Add-on products sold in connection with the credit (like Guaranteed Asset Protection/GAP Insurance), and
  - Other fees like application or participation fees, with some exceptions.
- No mandatory waivers of consumer protection laws. A creditor can’t require you to submit to mandatory arbitration or give up certain rights you have under state or federal laws like the Servicemembers Civil Relief Act.
- No mandatory allotments. A creditor can’t require you to create a voluntary military allotment in order to get the loan. An allotment is an automatic amount of money taken from your paycheck to pay back your loan.
- No mandatory use of a check or access to a bank account for loan.
- No prepayment penalty. A creditor can’t charge a penalty if you pay back part – or all – of the loan early.
- Requires oral and written disclosures of the interest rate and compliance with the Federal Truth-in-Lending Act.
- Failure to comply with the MLA voids the contract.
Activity: Headed for Trouble?

Service members and their families can avoid legal complications by being aware of and exercising their rights under the law. To help apply what we have learned today, here are a few common scenarios. Are they headed for trouble?

(Circle your answer)

• The judge orders a Service member to pay the marital debt legally incurred by her spouse during the marriage. The Service member decides there is no way she will pay the debt. Is she headed for trouble?
  Yes or No

• A Service member, living in the barracks, has fallen behind three months on court-ordered support payments of $1,000 to his estranged spouse, who is living in military housing with the couple’s infant son. His CO orders him to pay half of his gross pay each month, which is $2,000/month. Is anyone headed for trouble?
  Yes or No

• A Service member does not believe he is the father of a new baby, but he agrees to provide financial support until “things are straightened out.” Is he headed for trouble?
  Yes or No

• A Service member wakes up one Saturday and decides to go out and buy his dream car. While on the lot, the salesperson tells the member to sign the retail installment sales contract and a promissory note as well as a few other miscellaneous sheets of paper. The member is late for a date, and since he trusts the salesperson, he signs all the documents without reading them. Is he headed for trouble?
  Yes or No

• A Service member and her spouse are moving into an apartment and sign a lease without a military clause. Are they headed for trouble?
  Yes or No

• A Service member buys a used car “as is.” The vehicle looked and sounded good when purchased, especially the sound system. A week later, the vehicle begins to have a rough idle. Three days later, the engine seizes, and a mechanic determines there has been a total engine failure. Is he headed for trouble?
  Yes or No

• A very junior Service member is having difficulty paying bills he incurred before he joined the military. Some of the debts have interest rates as high as 20%. Is he headed for trouble?
  Yes or No

• A Service member realizes she has lost her credit card. She calls the issuer immediately. When she gets her next bill, there is a charge of $400 she didn’t make. Is she headed for trouble?
  Yes or No

• A Service member realizes she has lost her debit card. She doesn’t call the issuer for three days. Meanwhile, there was unauthorized use of the card for $400. Is she headed for trouble?
  Yes or No

• A Service member gives her spouse a general power of attorney to take care of business while she is deployed. Is she headed for trouble?
  Yes or No
Activity: Headed for Trouble?

Additional Headed for Trouble? Questions

(Circle your answer)

• A Service member is separated from her spouse. The spouse has custody of their one child. The member and spouse are arguing over how much child support should be paid. The Service member decides not to pay anything to the spouse until there is a court decree. She continues to live in their apartment and receive BAH at the "with dependents" rate. Is she headed for trouble?
  Yes or No

• A Service member and her husband are moving into government quarters. They believe the government will pay for any damage to personal property if there is a disaster, such as fire or flood. Are they headed for trouble?
  Yes or No

• A Service member is buying a used car and asks the salesman for a copy of the unsigned contract to take to his legal officer before he signs it. Is he headed for trouble?
  Yes or No

• A Service member buys a heavy-duty steam carpet cleaner from a department store. The saleswoman tells the Service member it will clean heavy-duty dirt from most carpets. The Service member notes, upon using the cleaner, that it forms small, muddy ponds in his living room. Is he headed for trouble?
  Yes or No
CFS 11
Your Credit and Your Clearance
Student Manual
I. INTRODUCTION

This chapter discusses Indebtedness and Security Clearance Financial Issues, helping the CFS understand the implications of debt on a Service member’s finances and career. The CFS will understand which tasks to work on with the Service member and when and where to refer them for additional assistance.

This chapter also discusses how the CFS can assist Service members in avoiding Statements of Reasons (SORs)/Letters of Intent (LOIs) through credit and debt management. The CFS will receive information that they can use to educate and empower Service members about credit. Topics include credit scores and reports, how to build, improve, and protect one’s credit, as well as how to recognize financial warning signs and when to seek help.

Chapter Correlation to Common CFS Task Areas:

1. Education and Training: CFS will learn about the Continuous Evaluation process for security clearance. They will learn active credit and debt management techniques.

2. Information and Referral: CFS will understand how to assist Service members with credit management as well as when to refer to the local Legal Assistance office and/or Installation Family Support Center Financial Counselor or Educator.

3. Counseling/Coaching: The CFS often is asked to provide counseling to members because the command has received a notification of indebtedness, garnishment, or Statement of Reasons (SOR)/Letter of Intent (LOI) regarding a member. This chapter will prepare the CFS to assist with a financial plan.

II. LEARNING OBJECTIVES

After participating in the session, the learner should be able to explain Navy, Marine Corps, Army and/or Coast Guard policy on indebtedness and discuss assisting the command and Service member with creditor complaints and Statements of Reasons (SORs)/Letters of Intent (LOIs). The learner will also become familiar with credit management techniques to include understanding credit reports and scores and learning best practices to build, improve, and protect credit.
III. REFERENCES


Marine Corps Order 5800.16-V10, Legal Support and Administration Manual Volume 10

Marine Corps Order 5510.18(series), USMC Information and Personnel Security Program


AR 608-1, 4-42 Debt Liquidation Assistance

USCG COMDTINST M1600.2(series) Discipline and Conduct Manual, Chapter 2.D.

USCG COMDTINST M5520.12(series) Personnel Security and Suitability Program

USCG COMDTINST M7220.29(series) Coast Guard Pay Manual

Defense Finance and Accounting Service (DFAS) website https://www.dfas.mil/

32 CFR 113, Indebtedness Procedures of Military Personnel

https://finred.usalearning.gov/Money

https://saveandinvest.org/

https://www.consumer.ftc.gov/articles/0151-disputing-errors-credit-reports

IV. CONTENT
Members of the Military Services are expected to pay their just financial obligations in a proper and timely manner.

**USN**
The United States Navy is without legal authority to require a Service member to pay a private debt, or to deduct any part of their pay to reimburse the creditor even if the indebtedness has been reduced to judgment by a civil court, unless the Service member’s pay is to be garnished to provide child support or alimony. The enforcement of private obligations is a matter for civil authorities.

A Commanding Officer (CO) is without authority to adjudicate claims or to arbitrate controversies concerning debts or private obligations of Sailors, or to not, by virtue of their military status, relieved them from continuing obligations to obey pertinent civil laws or to comply with the terms of applicable civil court orders, decrees, or judgments.

The extent to which COs may cooperate with creditors is limited to administrative referral of correspondence to the Service member. The CO shall ensure the Service member communicates their intentions regarding the creditor. Contact by a debt collector with third party, such as COs, for the purpose of aiding debt collection is prohibited without concurrence of the debtor, or without a court order.

**USMC**
Marines are expected to manage their personal affairs satisfactorily and pay their financial obligations in a proper and timely manner. A Marine’s dishonorable failure to pay just debts may result in administrative or disciplinary actions, which can include non-judicial punishment, the initiation of court-martial proceedings and/or administrative separation proceedings. Indebtedness also may adversely impact security clearances (i.e. revocation, suspension, separation from service).

Enforcement of private obligations is a matter for civil authorities. Except as otherwise authorized by statute or regulation, the Marine Corps has no legal authority to require Marines to pay a private debt or to divert any part of their pay for its satisfaction. The extent to which Commanding Officers may assist original creditors is limited to administration referral of the complaint to the Marine.

**USA**
The United States Army is without legal authority to require a member to pay a private debt, or to deduct any part of their pay to reimburse the creditor even if the indebtedness has been reduced to judgment by a civil court, unless the member’s pay is to be garnished to provide child support, alimony, or Army and Air Force Exchange Service. Indebtedness will adversely impact and prevent Soldiers from obtaining a security clearance.

Assistance in indebtedness matters shall not be given to those creditors who have not made a bona fide effort to collect the debt directly from the military member; whose claims are patently false and misleading; whose claims are obviously exorbitant; or whose debt collection efforts are in violation of state law.
USCG
Service members who fail to meet their financial obligations bring discredit upon the service, burden the command administratively, and jeopardize their eligibility for a security clearance. Because of this, all members have a military duty to meet their financial obligations. Despite the Coast Guard’s interests in the matter, the Coast Guard has no authority to direct or control the pay of its personnel for the purpose of satisfying a private claim of indebtedness, except under certain circumstances to include court ordered garnishment for child support, alimony, and indebtedness.

The Coast Guard is not required to assist in processing debt complaints when the claimant has not made bona fide efforts to collect the debt directly from the member or when the claim is patently false, misleading, or exorbitant. In cases where there appears to be a genuine dispute as to the validity of the claim or where the amount of the claim is disputed, the claimant should be advised to seek redress through the courts. Except as provided for in Article 1.L.1.d. of the COMDTINST M1600.2, a court judgment or court order must be presumed by the commanding officer to be just, fair and binding.

Creditor Complaints

For more information regarding United States Marine Corps “Complaints from Creditors,” you can refer to Marine Corps Order 5800.16-V10, Legal Support and Administration Manual Volume 10.

For more information regarding United States Army “debt complaints,” you can refer to 32 CFR 112 – Indebtedness of Military Personnel which superseded AR 600-15.

For more information regarding United States Coast Guard “Complaints of Indebtedness,” you can refer to USCG COMDTINST M1600.2, Discipline and Conduct Manual, Chapter 2.D.

Some states have enacted laws prohibiting creditors from contacting a debtor’s employer about indebtedness or communicating facts on indebtedness to an employer unless certain conditions are met. The conditions that must be met to remove this prohibition are generally such things as reduction of a debt to judgment or obtaining written permission of the debtor. At installations in states having such laws, the processing of debt complaints shall not be extended to those creditors who are in violation of the state law.

As the CFS, you may be asked to assist in counseling a Service member whose debt has not been resolved. Remember that you as a CFS are not to enforce any debt payments or collections and are not trained to provide legal advice in these situations. Without passing judgment and through non-biased assistance, a CFS, by the direction of command leadership, would:
1. Help the Service member to create a monthly budget that includes delinquent accounts
2. Provide the Service member with credit management training
3. Make appropriate referrals
Army First Sergeants may refer Soldiers to receive assistance from a local Personal Financial Readiness Specialist at an Army Community Service Center to receive help in making contacts with creditors to resolve indebtedness issues. Coast Guard CFSs should refer situations beyond basic counseling to a Personal Financial Manager at the Office of Work-Life. Service members and their families who are the victims of suspected illegal debt collection activity or questionable indebtedness complaints should be encouraged to consult military Legal Assistance for help.

Collecting Commercial Debt from a Service Member
Creditors who have been awarded a civil judgment against a Service member may seek enforcement of the judgment by applying for an involuntary allotment from the Service member’s military pay. For DoD Service members, if approved, the allotment can pay up to a maximum of 25% of a member’s disposable pay per monthly pay period. Refer to 32 CFR 113 for more information. For Coast Guard members, if approved, the allotment must not exceed 25% of a member’s pay subject to involuntary allotment. Refer to the USCG COMDTINST M7220.29(series) Coast Guard Pay Manual for more information. DFAS processes all involuntary allotment requests for all branches of the military service except the U.S. Coast Guard. The Coast Guard Pay and Personnel Center (PPC) processes all involuntary allotment requests for the U.S. Coast Guard. The Commanding Officer must notify the member of the involuntary allotment and inform the member of their right to either consent or contest the involuntary allotment.
Can you recall an example of a command becoming aware of a Service member’s debt, and how was it handled?

_________________________________________________________________________________

_________________________________________________________________________________

_________________________________________________________________________________

What are good practices you’ve seen on the part of commands or commanding officers?

_________________________________________________________________________________

_________________________________________________________________________________

_________________________________________________________________________________

What kind of personal consequences of debt have you seen in fellow Service members?

_________________________________________________________________________________

_________________________________________________________________________________

_________________________________________________________________________________

What is the most extreme career implication you’ve observed due to financial mismanagement or debt? What other issues?

_________________________________________________________________________________

_________________________________________________________________________________

_________________________________________________________________________________
Disqualifying and Mitigating Factors

Disqualifying factors (behavior or condition falls within one or more of the following categories)

(a) Inability to satisfy debts;
(b) Unwillingness to satisfy debts regardless of the ability to do so;
(c) A history of not meeting financial obligations;
(d) Deceptive or illegal financial practices such as embezzlement, employee theft, check fraud, expense account fraud, mortgage fraud, filing deceptive loan statements, and other intentional financial breaches of trust;
(e) Consistent spending beyond one’s means or frivolous or irresponsible spending, which may be indicated by excessive indebtedness, significant negative cash flow, a history of late payments or of non-payment, or other negative financial indicators;
(f) Failure to file or fraudulently filing annual federal, state, or local income tax returns or failure to pay annual federal, state, or local income tax as required;
(g) Unexplained affluence, as shown by a lifestyle or standard of living, increase in net worth, or money transfers that are inconsistent with known legal sources of income;
(h) Borrowing money or engaging in significant financial transactions to fund gambling or pay gambling debts; and
(i) Concealing gambling losses, family conflict, or other problems caused by gambling.

Mitigating factors (circumstances which may mitigate disqualifying information)

(a) The behavior happened so long ago, was so infrequent, or occurred under such circumstances that it is unlikely to recur and does not cast doubt on the individual’s current reliability, trustworthiness, or good judgment;
(b) The conditions that resulted in the financial problem were largely beyond the person’s control (e.g., loss of employment, a business downturn, unexpected medical emergency, a death, divorce or separation, clear victimization by predatory lending practices, or identity theft), and the individual acted responsibly under the circumstances;
(c) The individual has received or is receiving financial counseling for the problem from a legitimate and credible source, such as a nonprofit credit counseling service, and there are clear indications that the problem is being resolved or is under control;
(d) The individual initiated and is adhering to a good-faith effort to repay overdue creditors or otherwise resolve debts;
(e) The individual has a reasonable basis to dispute the legitimacy of the past-due debt which is the cause of the problem and provides documented proof to substantiate the basis of the dispute or provides evidence of actions to resolve the issue;
(f) The affluence resulted from a legal source of income; and
(g) The individual has made arrangements with the appropriate tax authority to file or pay the amount owed and is in compliance with those arrangements.
The Department of Defense Consolidated Adjudication Facility (DoD CAF) is the personnel security adjudicative authority for all individuals affiliated with the DoD. The DoD CAF is responsible for adjudicating information from personnel security investigations and other relevant information to determine eligibility for access to classified information, and/or assignment to sensitive national security positions and communicate the results via the Joint Personnel Adjudication System (JPAS).

The objective of the Personnel Security Program (PSP) is to authorize initial or continued access to classified information and/or initial and continued assignment to sensitive duties to those persons whose loyalty, reliability and trustworthiness are such that entrusting them with classified information or assigning them to sensitive duties is clearly consistent with the interests of national security. Additionally, the PSP ensures that no final unfavorable personnel security determination will be made without compliance with all procedural requirements.

In addition to the initial and periodic background investigations, members are subject to Continuous Evaluations, which include automated record checks on a more frequent basis. Continuous Evaluations use automated record checks of commercial databases, U.S. Government databases and other information lawfully available to security officials – information that is already reviewed during initial and periodic background investigations. Any derogatory information identified during Continuous Evaluation automated record checks will be used for investigative lead purposes only. This information will subsequently be investigated according to existing personnel security processes. No action will be taken based solely on the derogatory information identified during the Continuous Evaluations process without follow-up and review by the adjudicating agency against established national security adjudicative guidelines.

When an unfavorable personnel security eligibility determination is being contemplated by the DoD CAF, the DoD CAF will issue the individual concerned a Statement of Reasons (SOR) to revoke or deny security clearance eligibility, SCI access or sensitive position eligibility. The SOR advises the individual of the proposed action, the reasons therefore and the rebuttal process associated with the proposed action. The SOR will be sent to the individual’s command. The command will immediately present the SOR to the individual and assume a direct role in facilitating the process. On the following pages you will find a Sample SOR, information about disqualifying factors and mitigating factors, and Instructions for the Response to the SOR. The client should read the SOR they received from DoD CAF and if any information is different from the information on these pages, they should always follow the information in the SOR instead.

NOTE: For information regarding the United States Coast Guard, see page 11-18.
MEMORANDUM FOR PV2 John Doe, 123-45-6789

THROUGH: 123-45TH MILITARY POLICE BRIGADE
(ATTN: SECURITY MANAGEMENT OFFICE)

SUBJECT: Intent to Deny Eligibility for Access to Classified Information and/or Assignment to Duties that have been Designated National Security Sensitive

References: (a) DoDM 5200.02, Procedures for the DoD Personnel Security Program (PSP), April 3, 2017

1. Per the above references, a preliminary decision has been made by the Department of Defense (DoD) Consolidated Adjudications Facility (CAF) to deny your eligibility for access to classified information and/or assignment to duties that have been designated national security sensitive.

2. A decision on eligibility for access to classified information and/or assignment to duties that have been designated national security sensitive is a discretionary security decision based on judgments by appropriately trained adjudicative personnel. Pursuant to reference (a), eligibility shall be granted only where facts and circumstances indicate eligibility for access to classified information is clearly consistent with the national security interests of the United States, and any doubt shall be resolved in favor of the national security. Information concerning your personal history has led to the security concern(s) listed in Attachment 1, Statement of Reasons (SOR), which prevent the DoD CAF from making the affirmative decision that your eligibility is clearly consistent with the interests of national security. If this preliminary decision becomes final, you will not be eligible for access to classified information and/or assignment to duties that have been designated national security sensitive as defined by the above-cited references.

3. If you currently have access to classified information, this access may be suspended by your organization’s Security Management Office.

4. You must complete Attachment 2, Statement of Reasons Receipt and Statement of Intent, and forward it to the DoD CAF, via your organization’s Security Management Office (SMO) within ten (10) calendar days of receipt of this memorandum. Contact your SMO for help in preparing and forwarding this form. If the completed Attachment 2 is not received at the DoD CAF, it will be presumed that you do not intend to submit a reply.
5. You may request the records upon which the DoD CAF relied on to make the preliminary decision. Attachment 3 is provided to assist you in requesting your records. Use the Defense Counterintelligence and Security Agency (DCSA) investigation request if your SOR is based upon a DCSA Investigation (formally known as the Office of Personnel Management (OPM) investigation). Use the appropriate records request form(s) provided herein, if your SOR is based upon records other than, or in addition to, the DCSA investigation. Failure to request the record(s) in a timely manner, failure to provide an accurate mailing address, and/or failure to accept receipt of the record(s) upon delivery, will not serve as justification for an extension of time to respond to the SOR.

6. You may challenge this preliminary decision by responding, in writing, with any information or explanation that you think should be considered in reaching a final decision. Attachment 4, Instructions for Responding to a Statement of Reasons, provides instructions to assist you if you choose to submit a response. Attachment 5, National Security Adjudicative Guidelines, provides information on the guidelines and Attachment 6, Applicable National Security Adjudicative Guidelines, provides the specific national security adjudicative guideline(s) from reference (b) used in this preliminary decision.

7. You may choose to obtain legal counsel, or other assistance, in preparing your response to this preliminary decision. You may obtain civilian counsel, at your own expense, or, if you are eligible, from the staff of the Judge Advocate General. If you desire assistance from legal counsel, you should make those arrangements immediately.

8. If you choose the option to respond, your written response must be submitted through your SMO within thirty (30) calendar days from the date you acknowledge receipt of this memorandum. Your SMO will then forward it to the DoD CAF. Your employing organization may, upon your written request and prior to the expiration of the original deadline, grant an extension of an additional thirty (30) calendar days in which to respond. To request an additional extension, you must provide a written request, with justification, to your SMO prior to the current deadline. Your SMO will then submit your request to the DoD CAF for review/approval. Any request for extension of time to respond, after the initial extension, may be granted only by the DoD CAF.

9. If you choose the option not to respond or if you chose to respond but your response is not received by your SMO within the specified time, this preliminary decision will become a final security determination on the merits of the information available. Please direct questions regarding this memorandum to your SMO.

NAME OF CHIEF
Division Chief
Adjudications Directorate

Attachments:
1. Statement of Reasons
2. Statement of Reasons Receipt and Statement of Intent
3. Form(s) for Requesting Records
4. Instructions for Responding to a SOR
5. National Security Adjudicative Guidelines
6. Applicable National Security Adjudicative Guidelines
STATEMENT OF REASONS (SOR) FOR John Doe, 123-45-6789

The information listed below was derived from the documents listed at the end of this attachment (Attachment 1, Statement of Reasons). Each item of disqualifying information falls under one or more of the security guidelines listed below.

GUIDELINE F: Financial Considerations

Available information shows issues of Financial Considerations on your part.

Failure to live within one’s means, satisfy debts, and meet financial obligations may indicate poor self-control, lack of judgment, or unwillingness to abide by rules and regulations, all of which can raise questions about an individual’s reliability, trustworthiness, and ability to protect classified or sensitive information. An individual who is financially overextended is at greater risk of having to engage in illegal or otherwise questionable acts to generate funds. Affluence that cannot be explained by known sources of income is also a security concern insofar as it may result from criminal activity, including espionage.

Per the Adjudicative Guidelines, conditions that could raise a security concern and may be disqualifying include:

Your credit bureau report, obtained by the Office of Personnel Management (OPM) on July 17, 2019, disclosed the following delinquent debts:

<table>
<thead>
<tr>
<th>CREDITOR NAME</th>
<th>STATUS</th>
<th>AMOUNT</th>
<th>CREDIT BUREAU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hunting Bank</td>
<td>120 DAYS PAST DUE</td>
<td>$5,325</td>
<td>EXP, EFX, TU</td>
</tr>
<tr>
<td>Barclay</td>
<td>120 DAYS PAST DUE</td>
<td>$8,523</td>
<td>EXP, EFX, TU</td>
</tr>
<tr>
<td>Santander Bank</td>
<td>120 DAYS PAST DUE</td>
<td>$2,458</td>
<td>EXP, EFX, TU</td>
</tr>
<tr>
<td>Armed Forces Bank</td>
<td>120 DAYS PAST DUE</td>
<td>$3,526</td>
<td>EXP, EFX, TU</td>
</tr>
<tr>
<td>American Express</td>
<td>120 DAYS PAST DUE</td>
<td>$4,995</td>
<td>EXP, EFX, TU</td>
</tr>
</tbody>
</table>
During your interview with an OPM investigator on August 27, 2019, your delinquent debts were discussed. You indicated that you were unaware that you were delinquent on any of these debts and would check into them and get back to the investigator. On September 6, 2019, you made contact with the investigator and stated that you had contacted each of these creditors regarding these debts, did not dispute any of them, and were taking steps to resolve them. You stated that it was difficult to pay the accounts off at the time, but you planned to get a better job when you returned from basic training, and that the bonuses you expected to receive from the military would help a lot.

On December 6, 2019, the DoD CAF issued a Supplemental Information Request through your command, requesting that you provide official documentation of your efforts to repay or otherwise resolve each of your delinquent debts, such as canceled checks, money order receipts, or account statements. To date, no response to the request has been received.

Your inability to satisfy your debts indicates poor self-control, lack of judgment, or unwillingness to abide by rules and regulations, which raises questions about your reliability, trustworthiness, and ability to protect classified or sensitive information. Therefore, your financial situation is a security concern. (Guideline F, Attachment 6)
Statement of Reasons Receipt and Statement of Intent (Subject)

I, John Doe, 123-45-6789, acknowledge that I have received the Statement of Reasons (SOR) notifying me of the Department of Defense Consolidated Adjudications Facility’s preliminary decision to deny my eligibility for access to classified information and/or assignment to duties that have been designated national security sensitive. I understand that this form must be returned to my organization’s Security Management Office (SMO) within ten (10) calendar days.

I will (select one):

( ) NOT submit a reply to the SOR. I understand that by making this choice, this preliminary decision will become a final determination based on the merits of the available information.

( ) Submit a response via my organization’s SMO within thirty (30) calendar days of the date I acknowledged receipt of the SOR, or later date as provided in a valid extension of time. I understand that if my response is not received by the SMO within the thirty (30) calendar days, or later date as provided in a valid extension of time, this preliminary decision will become a final determination based on the merits of the available information.

____________________________________  ________________________________
(Signature)                          (Date)
CFS Action Items for Statement of Reasons

As a CFS, you will help the Service member by:

- Creating a realistic Financial Planning Worksheet to include the financial issues addressed in the SOR.
- Assisting the member in obtaining a credit report from www.annualcreditreport.com.
- Assisting the member in developing a good-faith action plan to resolve financial issues.
- Discussing with the member how to formally dispute one of the three credit reporting agencies account(s) that he or she does not believe they are obligated to pay. The agencies have 30 days to provide a resolution to the dispute.
- Discussing with the member to have documentation to support all claims made in his or her response to the SOR.
- Stressing the importance of a member being proactive in contacting you or another financial-counseling resource when experiencing financial difficulties.
- Be careful not to cross the line and provide legal advice. Instead, refer the Service member to the local Legal Assistance office.

Instructions for Response to Statement of Reasons

- Address each item cited in the SOR separately.
- Admit or deny each item in the SOR and provide an explanation for each response.
- Gather any documentation that supports your case.
- Response and supporting documentation should be organized in the same order as the security concerns presented in the SOR (use dividers or tabs to help assemble the supporting documentation in order).
- Documents that have the most impact will be those that refute, correct, explain, extenuate, mitigate, or update the unfavorable information presented in the SOR.
- Examples of financial documents include: releases from judgment or wage attachment; statements of account or letters from creditors verifying the status of delinquent accounts; receipts or copies of canceled checks for payment on debts; proof of payment arrangements; current statements reflecting a systematic effort to reduce delinquent debts; complete copies of bankruptcies (to include schedules); current complete credit reports (inclusion of all three main credit bureaus is preferred).
- Mere statements such as “I paid those bills,” will not carry much weight as supporting documentation.

Please note that assisting a client with an SOR involves many steps and collection of many documents. You will likely need to meet with them two or more times to assist them with the process.

The checklist on the following page will help you remember the key steps and actions your client needs to take as they prepare their SOR response.
CFS Checklist for Successful SOR Counseling Sessions

BEFORE THE INITIAL SESSION

*Provide the client with the following list of items they will need for a successful SOR counseling session:*

- The SOR
- A list of all current income and expenses, in order to complete an initial budget. Copies of the last two months of bank and/or credit card statements may be helpful to establish current spending estimates.
- Copies/copy of current credit report that the SOR addresses for eligibility determination. This information is within the SOR. If the delinquency was found at all three credit bureaus, then only one credit report from any of the bureaus is necessary. Refer the client to [www.annualcreditreport.com](http://www.annualcreditreport.com).

DURING THE INITIAL SESSION

- Counsel the Service member that the response to the SOR must address all debt items on the SOR, even if they no longer appear on a current credit report.
- CFS will assist the Service member in creating a budget. Utilize the projected side to include any expense reductions and savings, and accommodate payments for outstanding SOR debt items.
- Ask the member to prioritize debt repayment. Document details of their priorities using the Action Plan and remarks on the budget/eFPW.
- Encourage Service member to keep a log of all communications with creditors, and create a "paper trail" whenever possible. Follow up phone calls with email or mail, and keep copies of all correspondence.

*If the Service member has enough surplus or savings to settle all delinquent accounts, no follow up is needed with the CFS. Action items:*

- CFS will make appropriate comments in Action Plan on eFPW.
- Service member must contact delinquent creditors to pay off debts, and request documentation of $0 due balances.
- Service member should prepare their response to the SOR for on-time submission to DoD CAF. Counsel the member that supporting documentation is highly recommended to be included in their response: completed eFPW, current credit report, documentation of erroneous credit items removed from credit report, and receipts showing $0 balances on SOR items.
- Remind the Service member that the CFS is available for follow-up questions and assistance as needed.
- CFS should reach out to installation Personal Financial Manager/Counselor for assistance any time there are questions or concerns beyond their knowledge or ability.
If the Service member cannot immediately satisfy all debts on the SOR with savings or budget surplus:

- Assist them with establishing a monthly payment plan according to their priorities and what is affordable within their budget. (That is, budget does not demonstrate a deficit.) Update the eFPW as needed.
- Schedule a follow-up appointment with the Service member and counsel them on the following action items.
  - Service member must contact creditors to resolve past due payments. Service member should negotiate payment plans with creditors and document the agreed-upon payment plan.
  - Service member should not commit to payments that will exceed available budget surplus. (e.g., debt payments total $600, but surplus is only $400).
  - If the Service member is unable to settle debt with a single payment or payment plan due to lack of savings or surplus, the member must prioritize delinquent creditors.
  - Service member should secure documentation from each creditor to prove any payments that have been made. For example, new statements showing payments received, payment receipts, etc.
  - Service member should begin preparing their response to the SOR for on-time submission to DoD CAF. Counsel the Service member that supporting documentation is highly recommended to be included in their response: completed eFPW, current credit report, documentation of erroneous credit items removed from credit report, and receipts showing payment plans, payments made and/or $0 balance for SOR items.
  - Remind the Service member that the CFS is available for follow-up questions and assistance as needed.
  - CFS should reach out to installation Personal Financial Manager/Counselor for assistance any time there are questions or concerns beyond their knowledge or ability.

FOLLOW-UP APPOINTMENT

- Update eFPW with any repayment plans. If the Service member cannot resolve all delinquent accounts as listed on the SOR, annotate Service member’s prioritized repayments on the Action Plan. (e.g., Service member has four delinquent accounts and only can resolve one of the accounts at a time due to lack of budget surplus). Once one of the four accounts are resolved, the Service member will begin repayment on next account.
- Service member should state repayment process in their response to the SOR letter, and be sure to submit their response by the stated deadline in the SOR.

ADDITIONAL INFORMATION REQUESTED FROM DoD CAF

In some instances, DoD CAF will issue a follow-up SOR to monitor that Service member is continuing with repayment plans and/or resolved all debts.

- Update eFPW with any changes.
- Note any resolved accounts in the Action Plan or Comments.
- Counsel Service member to include updated eFPW and provide documentation of any statements made in SOR responses (payments, payment plans, account paid off, etc.).
DoD Personnel Security Appeals Process

1. **DoD CAF issues SOR**
   - DoD CAF denies/revokes clearance and issues LOD
     - Service member completes Notice of Intent to Appeal (NOIA) which is submitted to DoD CAF and decides on method of appeal (NOIA due within 10 days of receipt)
   - Personal appearance at DOHA
     - DOHA judge makes decision and forwards recommendation to PSAB
   - Direct written appeal to PSAB (Due 30 calendar days from date of NOIA)
     - PSAB makes Final Determination and forwards decision to DoD CAF to update JPAS
     - Wait 1 year for Reconsideration Request (SECNAV M5510.30, pg. 8-13, section 8-6)
   - Service member responds to SOR within 30 days
     - DoD CAF decides if appeal mitigates the issues at hand

   **Decision Tree:**
   - **NO**
     - Service member completes Notice of Intent to Appeal (NOIA) which is submitted to DoD CAF and decides on method of appeal (NOIA due within 10 days of receipt)
     - Personal appearance at DOHA
     - DOHA judge makes decision and forwards recommendation to PSAB
     - Direct written appeal to PSAB (Due 30 calendar days from date of NOIA)
     - PSAB makes Final Determination and forwards decision to DoD CAF to update JPAS
     - Wait 1 year for Reconsideration Request (SECNAV M5510.30, pg. 8-13, section 8-6)
   - **YES**
     - Clearance granted

**Abbreviations:**
- **LOD** = Letter of Determination
- **DOHA** = Defense Office of Hearings and Appeals
- **PSAB** = Personnel Security Appeals Board
The Coast Guard Security Center (SECCEN) serves as the Coast Guard’s Central Adjudication Facility (CAF). The SECCEN is the Coast Guard’s central source for interim and final Coast Guard personnel security clearances. The SECCEN has the authority to grant, revoke, or deny interim and final clearances.

All Coast Guard military personnel and civilian employees will be investigated commensurate with the position sensitivity designation for their position. The security clearance and suitability determination process relates directly to the personnel security and suitability standards that must be applied to determine whether a person is eligible for access to classified information or assignment to sensitive duties. The decision is based on all available information including the person’s loyalty, reliability, and trustworthiness.

In addition to the initial investigation and renewal investigations, members are subject to continuous evaluations, which include unannounced record checks on a recurring basis. If derogatory information is identified during a continuous evaluation check, the information will be treated as an investigative lead and will be investigated according to exiting personnel security processes. No action will be taken solely on information uncovered during the continuous evaluation process without follow up and review by SECCEN.

When the SECCEN makes an unfavorable personnel security determination, an action to deny or revoke security clearance or eligibility is initiated and a Letter of Intent (LOI) listing the disqualifying factors will be forwarded to the member via their Commanding Officer and the cognizant Security Manager. A form letter acknowledging receipt of the LOI will also be enclosed. Command will ensure that the acknowledgment is signed by the member immediately upon receipt and forwarded to the SECCEN. When the acknowledgement is received and signed, the subject will have thirty (30) days to reply, to mitigate or refute the intended action. If applicable, upon receipt of reply the SECCEN will make a final determination and advise the subject. If the final decision results in a denial or revocation, the subject will be advised of his/her rights by memorandum from the SECCEN via the Commanding Officer and a read copy to the cognizant Security Manager. In order to appeal an unfavorable decision issued by the SECCEN, the subject must first file an appeal with the CG Personnel Security Appeals Board (PSAB).
MEMORANDUM

From: Mark Jones, Sr.  
Director, SECCEN (DCMS-342)  

Reply to: Customer Service  
Attn of: ADJ: 00161  
(757) 579-6222

To: PO2 Jaeden Doe, EMPLID  
CG UNIT Anytown  

Thru: CG UNIT Anytown  

Subj: LETTER OF INTENT TO REVOKE SECURITY CLEARANCE

Ref:  
(a) Personnel Security and Suitability Program, COMDTINST M5520.12C  
(b) Security Executive Agent Directive 4 of 08 Jun 17  
(c) NBIB Tier 3 of 29 Nov 18  
(d) Data Facts credit report of 14 May 19

1. Reference (a) establishes the Central Adjudication Facility (CAF) is authorized to determine security clearance eligibility. The U.S. Coast Guard Security Center (SECCEN) is the CAF for the Coast Guard. After reviewing references (c) and (d) and comparing them to the standards outlined in references (a) and (b), I intend to revoke your security clearance.

2. The results of references (c) and (d) disclosed security concerns in the context of the whole person concept and fall within the Adjudicative Guidelines relating to financial considerations, which raise serious questions as to your ability to maintain national security eligibility and retain your security clearance. The following paragraphs outline the security concerns.

Guideline F: Financial Considerations: The Concern. Failure to live within one’s means, satisfy debts, and meet financial obligations may indicate poor self-control, lack of judgment, or unwillingness to abide by rules and regulations, all of which can raise questions about an individual’s reliability, trustworthiness, and ability to protect classified or sensitive information.

a. SWEET RIDE AUTO, last activity date 02/2017, charge off, amount due $8765  
b. ANYWHERE MOBILE, last activity date 8/2017, collection, amount due $925  
c. ABC FUNDING LLC, last activity date 05/2016, collection, amount due $510  
d. NATIONAL USA BANK, last activity date 01/2014, charge off, amount due $567
e. ARMED FORCES BANK, last activity date 08/2016, charge off, amount due $213
f. JONES & SMITH, last activity date 12/2015, medical collection, amount due $88
Total Delinquent Amount: $11,068

Note: “Charge off” means the account is closed to future use, although the debt is still owed. The credit grantor may continue to report the past due amount and the balance owed. If you pay the account, the status will reflect as “paid charge off.”

3. You are afforded an opportunity to provide information to refute, mitigate, or explain the information contained in this correspondence. Your response must be submitted through your Commanding Officer (including a minimum of signature endorsement) within 30 days from the receipt of this letter. A written command endorsement may be included with your response. Your reply should include documentation to support your response (i.e. canceled checks, bank/creditor statements, receipts, formal correspondence verifying status of accounts, etc.). Contact your Command Security Officer (CSO) for further information or to answer any questions you may have concerning this matter.

4. You may request a copy of your investigation from the National Background Investigations Bureau (NBIB) by following instructions found on that agency’s website at https://nbib.opm.gov/foia-privacy-acts/requesting-and-amending-my-records/#CopyofBI

5. This determination is solely based on a credit report obtained by USCG in the course of standard adjudication required for your position with the USCG. As stipulated in the Fair Credit Reporting Act (FCRA) you are entitled to receive a copy. You may request a copy of the credit report used by our office to make this determination by contacting the customer service team at SECCEN:
   PH: 757-579-6222; email to: FIN-SMB-SECHelpdesk@uscg.mil. Please reference this memo when making the request.

6. If you have any questions regarding the content of your credit report, you may contact the credit bureaus at the addresses below:

   Experian
   P. O. Box 2002
   Allen, TX 75013-0036
   888-397-3742

   Equifax
   P. O. Box 740241
   Atlanta, GA 30374-0241
   800-685-1111

   TransUnion
   P. O. Box 1000
   Chester, PA 19022
   800-888-4213

7. As indicated in Executive Order 12968, you may seek counsel or other representation at your own expense to address this matter. Should you elect to obtain counsel or representation, you will be afforded a reasonable amount of time to consult with your counsel or other representation in preparing your response to my memo. The counsel or representative may provide you guidance in preparing your response; however, responses must be under your signature and submitted through your command.
8. Execute Acknowledgment of Receipt enclosed. Your signature must be witnessed and the acknowledgment returned immediately to SECCEN. All correspondence to SECCEN must be submitted via email (FIN-SMB-SECCENSubmissions@uscg.mil) or by mail. Under no circumstances should your acknowledgement be sent directly to an individual team member of SECCEN to include the CAF Director.

# Enclosures: Acknowledgment of Receipt

Copy: CG DISTRICT TWENTY-ONE (Security Manager)
ACKNOWLEDGMENT OF RECEIPT

From: PO2 Jaeden Doe, EMPLID
CG UNIT Anytown

To: Director, SECCEN (DCMS-342)

Thru: CG UNIT Anytown (CS0)

1. I acknowledge receipt of the USCG Security Center Letter of Intent to Revoke Security Clearance memo 5520 of 14-Aug-19. I understand that if I do not reply, a final decision will be based on the information contained in my security file.

2. I intend to:

___ Not submit a response to this memo.

___ Respond to this memo within 30 days of receipt of this letter.

Member name printed ___________________________ Date ________________ Member signature ___________________________

Witness name printed ___________________________ Date ________________ Witness signature ___________________________

3. Return this acknowledgement immediately to SECCEN. All correspondence to SECCEN must be submitted via email (FIN-SMB-SECCENSubmissions@uscg.mil) or by mail. Under no circumstances should your acknowledgment be sent directly to an individual team member of SECCEN to include the CAF Director.

Encl

ADJ 161
USCG CFS Action Items for Letters of Intent

As a CFS, you will help the member by:

- Creating a realistic Financial Planning Worksheet
- Referring the member to the Personal Financial Manager at the Office of Work-Life and Legal for assistance in addressing the LOI
- Ensuring the member is ready for their LOI counseling session with the Personal Financial Manager by providing them with a list of items to bring to their counseling session:
  - The LOI
  - The completed Financial Planning Worksheet (or a listing of current income and expenses to complete an initial Financial Planning Worksheet if not already completed)
  - A copy of their credit report. Members can (and should) request a copy of their credit report from SECCEN (FIN-SMB-SecHelpDesk@uscg.mil).
  - Documents from the list of most common supporting documentation sought by SECCEN to mitigate financial considerations above

Most common supporting documentation sought by SECCEN to mitigate financial considerations:

- Canceled checks that prove payments have been processed and deducted from the member’s bank account
- Bank and/or creditor statements that reflect account standing; to include account balance, transaction dates, transaction amounts and methods of payment
- Receipts that reflect types, amounts and dates of financial transactions between the member and creditor/debtor
- Court dispositions that reflect dismissal or satisfaction of civil suits, fines, or other financial obligations
- Official correspondence on company letterhead that otherwise communicates the status of the account and/or debt owed (i.e. settlement acceptance letters, hardship program/payment plans, loan deferrals, letters disputing the legitimacy of past-due debt, etc.)
- Bankruptcies require submission of court documentation that reflects the schedule of payment and discharge information. The response should also include a personal statement from the Service member that explains the circumstances which led to bankruptcy.
- Foreclosures require submission of bank, court and other documentation that summarizes details of the foreclosure to include: status, amount owed to lender and terms of repayment. The response should also include a personal statement from the Service member that explains the circumstances which led to foreclosure.
Your Credit and Your Clearance

**USCG Personnel Security Appeals Process**

1. **SECCEN issues LOI**
   - Service member responds to LOI within 30 days
     - Response mitigates security concerns → Clearance granted
     - Response does not mitigate security concerns → SECCEN issues final decision to revoke or deny clearance with option for member to appeal via memo within 30 days
   - Service member does not respond to LOI → Clearance is revoked or denied. Service member can apply for reconsideration in one year
   - Service member responds to LOI within 30 days
     - Response mitigates security concerns → Clearance granted
     - Response does not mitigate security concerns → SECCEN issues final decision to revoke or deny clearance with option for member to appeal via memo within 30 days
   - Service member does not respond to LOI → Clearance is revoked or denied. Service member can apply for reconsideration in one year

2. **Service member does not appeal**
   - Service member appeals
     - Level I appeal process initiated at SECCEN
       - Service member does not mitigate security concerns → Level II appeal process initiated at SECCEN. Service member scheduled to appear before appeals board.
         - Level II appeal upheld
         - Level II appeal overturned
       - Service member mitigates security concerns → Level III appeal process initiated at DHS
         - Level III appeal upheld
         - Level III appeal overturned
     - Service member appeals
       - Level I appeal process initiated at SECCEN
         - Service member does not mitigate security concerns
         - Service member mitigates security concerns

3. **Service member appeals**
   - Level I appeal process initiated at SECCEN
     - Service member does not appeal → Clearance revoked or denied
     - Service member appeals
       - Level I appeal process initiated at SECCEN
         - Service member does not mitigate security concerns
         - Service member mitigates security concerns

4. **Level II appeal process initiated at SECCEN. Service member scheduled to appear before appeals board.**
   - Level II appeal upheld
   - Level II appeal overturned

5. **If requested by Service member, Level III appeal process initiated at DHS**
   - Level III appeal upheld
   - Level III appeal overturned
Avoiding SORs/LOIs
Through Credit and Debt Management

As we found out, financial issues are one of the top five factors in security clearance denials. It is important to help Service members understand credit and debt, their credit report, and their credit score. For those with no credit, you can show them how to build good credit at low or no cost, and if they have already wandered into debt territory, you can introduce them to debt reduction plans like the Debt Destroyer to help them get out of debt.

How Does Credit Impact Your Life?

If you have good credit, it can help you to be successful and reach your financial goals. If you have poor credit, it may prevent you from making your goals a reality. Adverse effects of poor credit and poor credit management that you may not be aware of, such as:

• Inability to qualify for a mortgage or rental lease
• Inability to get insurance or paying much higher insurance rates
• Being unable to qualify for certain jobs
• Loss of or inability to qualify for security clearances
• Failure to qualify for overseas orders
• Possible discharge

Understanding Credit Reports

Your credit report contains information about you that credit reporting agencies compile and sell to lenders, including your addresses, debts, payment habits, and bankruptcy filings.

It is important to check your credit reports at least once a year to make sure all information is accurate and up to date. You should also review your report before you seek a loan for a major purchase, like a car or home. To check your credit report, use www.annualcreditreport.com, the only site directed by federal law to provide credit reports. You can choose to pull reports from all three nationwide credit-reporting agencies at once or spread them out individually over the year.

Depending on the programs available, you can also request a no-cost credit report through your Installation Family Support Center Personal Financial Counselor or Educator.

According to the Federal Trade Commission, you should beware of impostor sites that claim to offer “free credit reports,” “free credit scores” or “free credit monitoring.” They aren’t part of the free annual credit report program and may come with strings attached. These “impostor” sites may include terms like “free report” in their names or purposely misspell their URLs to get you to their sites.
Credit Report Contents

- Identification
- Payment history
  - Accurate negative information shows for seven years
- Inquiries
  - Show for two years
  - Soft inquiry (not visible to others)
  - Hard inquiry (visible to others)
- Public record information
  - Bankruptcy information shows for 10 years
  - Information about an unpaid judgment against you shows for seven years or until the statute of limitations runs out, whichever is longer

When negative information on your report is accurate, only the passage of time can assure its removal. There is a standard method for calculating the seven-year reporting period. Generally, the period starts from the date the event took place.
Credit report review Checklist

Once you get your credit report, you will want to review it carefully. Ordering it is not enough – you have to read it. Credit reports may have mistakes. And if there are mistakes, you are the only one who is likely to find them.

Use the following worksheet to review each section of your credit report. Do this for each credit report you get throughout the year. Then, keep the completed Checklist with your credit report.

Your credit report contains a lot of personal and financial information. Be sure to keep any hard copies of your credit reports in a safe and secure place. If you do not want to hang on to your credit reports, be sure to shred them before getting rid of them.

Credit report review checklist

Today’s date: __________ Name of credit reporting agency: __________

1. Is your name correct? ○ YES ○ NO
2. Is your Social Security number correct? ○ YES ○ NO
3. Is your current address correct? Is your current phone number correct? ○ YES ○ NO
4. Are the previous addresses they have listed for you correct? ○ YES ○ NO
5. Is your marital status listed correctly? ○ YES ○ NO
6. Is the employment history they have listed for you accurate? ○ YES ○ NO
7. Is everything listed in the personal information section correct? ○ YES ○ NO
8. Is there anything listed in the public record information? Is it correct? ○ YES ○ NO

Highlight the information you think may not be correct.
If you find something wrong with your credit report, you should dispute it. You may contact both the credit reporting company and the creditor or institution that provided the information. Explain what you think is wrong and why.

**To correct mistakes, it can help to contact both the credit reporting company and the source of the mistake.** You may file a dispute not only with the credit reporting company, but also directly with the source of the information, and include the same supporting documentation. However, there are certain circumstances where creditors and furnishing institutions are not required to investigate.

You may file your dispute online at each credit reporting agency’s website. If you file a dispute by mail, your dispute letter should include: Your complete name, address, and telephone number; your report confirmation number; and a description of the information you believe is incorrect.

---

### If you find something wrong with your credit report

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>9. Are the accounts on the list still open?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Review each item under the credit account (trade account) section.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Are all of the current balances correct?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. Are accounts where you are an authorized user or joint owner listed?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. Are zero balances recorded for debts discharged in bankruptcy?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>For debts paid in full?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13. Are you listed as a co-signer on a loan?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is this correct?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14. Are accounts that you closed listed as “closed by the consumer”?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15. Is negative information reported on each credit account correct?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Look for late payments and missed payments. Highlight those items you think are not correct.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16. Are any accounts listed more than once?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Check to make sure the same account is not listed multiple times in the collections section.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17. Is old negative information still being reported?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>If yes, highlight the information that has exceeded the negative information reporting limit, which is usually seven years.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18. Do you suspect that you have been the victim of identity theft after reviewing your credit reports?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
number (if you have one); and the account number for any account you may be disputing.

In your letter, clearly identify each mistake, state the facts, explain why you are disputing the information, and request that it be removed or corrected. You may want to enclose a copy of the portion of your report that contains the disputed items and circle or highlight the disputed items. Include copies (not originals) of documents that support your position.

Send your letter of dispute to credit reporting companies by certified mail, return receipt requested, so that you will have a record that your letter was received. You can contact the nationwide credit reporting companies online, by mail, or by phone:

You can contact the primary nationwide credit reporting agencies online, by mail, or by phone:

**Equifax**

**Online**

ai.equifax.com/CreditInvestigation/home.action

**By mail**

Download and complete the dispute form: equifax.com/cp/MailInDisclosureRequest.pdf. Mail the dispute form with your letter to:

Equifax Information Services LLC
P.O. Box 740256
Atlanta, GA 30374

**By phone**

Phone number provided on credit report or (800) 864-2978

**Experian**

**Online**

experian.com/disputes/main.html

**By mail**

Use the address provided on your credit report or mail your letter to:

Experian
P.O. Box 4000
Allen, TX 75013

**By phone**

Phone number provided on credit report or (888) 397-3742

**TransUnion**

**Online**

transunion.com/credit-disputes/dispute-your-credit

**By mail**

Download and complete the dispute form: transunion.com/docs/rev/personal/InvestigationRequest.pdf. Mail the dispute form with your letter to:

TransUnion Consumer Solutions
P.O. Box 2000,
Chester, PA 19022-2000

**By phone**

(800) 916-8800

* Keep copies of your dispute letter and enclosures.
If you suspect that the error on your report is a result of identity theft, visit the Federal Trade Commission’s IdentityTheft.gov website for information about identity theft and steps to take if you have been victimized. This will include filing a fraud alert and possibly filing a security freeze.

If the error is with a specific account, you can also choose to start the process by contacting the creditor or the debt collector to resolve the dispute.

Whether you file your dispute directly with the creditor (information furnisher) or the credit reporting agency, they generally have 30 - 45 days to investigate your claim and 5 days to send you written notice once their investigation is over.

If the dispute results in a business changing the information it reported about you, the business must notify the credit reporting agencies. And vice versa, if you filed your dispute with a credit reporting agency, it must fix your file and notify the creditor of the error.

You can also submit a complaint to the Consumer Financial Protection Bureau at consumerfinance.gov/complaint or by calling 855-411-2372.

---

**Steps to filing a dispute checklist**

**Steps to filing a dispute**

- 1. Write a letter to the credit bureau that sent you the report.
- 2. Provide the account number for the item you feel is not accurate.
- 3. For each item, explain concisely why you believe it is not accurate.
- 4. If you can, include copies of bills or cleared checks (money order stubs) that show you have paid them on time.
- 5. Provide your address and telephone number at the end of the letter so the credit bureau can contact you for more information if necessary.
- 6. Make a copy of your letter before you send it to the credit bureau.
- 7. Send the letter. You may choose to use Certified Mail with Return Receipt to have proof of when the letter was received. The consumer reporting agency or the creditor generally has 30-45 days to investigate your claim.
Example letter

You can use this example dispute letter from the Federal Trade Commission to a credit reporting agency as a guide for writing your own letter.

Be sure to keep copies of everything you send to the credit reporting agencies, including the dates you sent the items.

[Your name]
[Your return address]

[Date]

Complaint Department
[Company Name]
[Street Address]
[City, State, Zip Code]

Dear Sir or Madam:

I am writing to dispute the following information in my file. I have circled the items I dispute on the attached copy of the report I received.

This item [identify item(s) disputed by name of source, such as creditors or tax court, and identify type of item, such as credit account, judgment, etc.] is [inaccurate or incomplete] because [describe what is inaccurate or incomplete and why]. I am requesting that the item be removed [or request another specific change] to correct the information.

Enclosed are copies of [use this sentence if applicable and describe any enclosed documentation, such as payment records and court documents] supporting my position. Please reinvestigate this [these] matter[s] and [delete or correct] the disputed item[s] as soon as possible.

Sincerely,

[Your name]
[Phone number]

Enclosures:
[List what you are enclosing.]
What Is a Good Score?

A total number of points — a credit score — helps predict how creditworthy you are, that is, how likely it is that you will repay a loan and make the payments on time. Generally, consumers who are a good credit risk have higher credit scores.

There are many credit-scoring models to include: Fair Isaac Corp, VantageScore, TransRisk, and PLUS Score. The Fair Isaac Corp (FICO) is the most popular credit-scoring model.

Generally, however, the following is true for FICO scores:

<table>
<thead>
<tr>
<th>FICO Score Ranges</th>
<th>Rating</th>
<th>Description</th>
<th>Expected Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 580</td>
<td>Poor</td>
<td>Your score is well below the average score of U.S. consumers and demonstr-</td>
<td>Individuals in this category will probably have to pay the maximum interest</td>
</tr>
<tr>
<td></td>
<td></td>
<td>strates to lenders that you are a risky borrower.</td>
<td>rates allowed by law, if given credit at all.</td>
</tr>
<tr>
<td>580 - 669</td>
<td>Fair</td>
<td>Your score is below the average score of U.S. consumers, though many lenders</td>
<td>These individuals may find it difficult to get credit and will likely end up</td>
</tr>
<tr>
<td></td>
<td></td>
<td>will approve loans with this score.</td>
<td>paying high interest rates.</td>
</tr>
<tr>
<td>670 - 739</td>
<td>Good</td>
<td>Your score is near or slightly above the average of U.S. consumers and most</td>
<td>Individuals may still qualify for a loan but will pay more for credit than those</td>
</tr>
<tr>
<td></td>
<td></td>
<td>lenders consider this a good score.</td>
<td>in excellent or good ranges.</td>
</tr>
<tr>
<td>740 - 799</td>
<td>Very Good</td>
<td>Your score is above the average of U.S. consumers and demonstrates to lenders</td>
<td>Individuals may or may not qualify for the very best interest rates and terms,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>that you are a very dependable borrower.</td>
<td>depending on what they are applying for.</td>
</tr>
<tr>
<td>800 +</td>
<td>Exceptional</td>
<td>Your score is well above the average score of U.S. consumers and clearly</td>
<td>People in this range will get the best credit rates.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>demonstrates to lenders that you are an exceptional borrower.</td>
<td></td>
</tr>
</tbody>
</table>

SOURCE: https://www.myfico.com/credit-education/what-is-a-fico-score
Five Components of a Credit Score

Your FICO score is based on factors including:

- Your payment history
- The amount you owe
- How long you have had credit
- The types of credit you have
- The new accounts you have recently opened

35% Payment History
Whether payments are made on time

30% Amounts Owed
How much revolving credit and loans you are using

15% Length of Credit History
How long an account has been open

10% Credit Mix
Whether there is a mix of different types of credit, such as a mortgage, a credit card, and an installment loan

10% New Credit
Whether there are new requests for credit/credit inquiries on the account
Play to Win! – Strategies for a good credit score

- Payment history is 35% of your score
  - Set minimum auto payments
  - Avoid delinquencies and collections
- How much you owe is 30% of your score
  - Pay in full monthly
  - Use a debt repayment strategy
  - Don’t exceed 6% of credit limit
  - Save for large purchases
- Time is 15% of your score
  - Choose the right cards
  - Keep card longer

Play to Win!
For the biggest wins, focus on the three highest scoring areas. These rules work whether you are trying to build credit initially or fix an already troubled score. Let’s master the basics in these key areas.

Your payment history has the biggest impact, making up 35% of your score.

Stay on the Offensive: Never miss a payment. Some people choose to set their minimum payments on autopay each month so they don’t miss even when traveling or busy. Yes, they will need to go back in to pay in full or whatever their Debt Destroyer™ payment is, but this way they will not get hit with a late payment accidentally. This is a very proactive strategy.

Now let’s talk Defense: Avoid delinquencies. When an unpaid bill or debt goes into collections, it affects this part of your credit score. Check your report for any collections. We recommend you avoid collections before they even show up. Don’t ignore bills you don’t agree with. Instead, call the company and discuss, go to your local Legal Assistance office, or see your Financial Counselor or Educator at your Installation Family Support Center. Also, make sure you submit change of address forms with the U.S. Postal Service every time you move to avoid missing that last bill or invoice.

How much you owe is 30% of your score.

Offense: Keep credit cards paid in full monthly. When you keep your card paid off before the statement due date and your card has a grace period, you won’t be paying interest either. Nice to have good credit for free!. If you must carry balances, keep them low and pay them down as quickly as you can.

Defense: Only charge large purchases for which you have already saved. Then pay the card off in full before the statement deadline. Also, be careful of card use on things like dining out, a night at the club or bar, and snacks. These may add up to more than you were planning. Some people choose to pay their credit cards off each pay period so balances do not go unchecked for too long.
Scoreboard Strategies: It is not always advisable to close a credit card once you pay off a balance. This can reduce the total amount of credit you have available compared to the total outstanding debt you carry, affecting this part of your score. Check with your PFM if you want some advanced score building strategies.

Just a side note: Debit cards are not the same as credit cards, and do not count toward these scores even though they may have a Visa logo.

**Length of credit history aka time is 15% of your score.**

This section counts both the amount of years you have been building credit, and the average length of time you have kept each card.

**Offensive: Pick the right cards.**
- Be picky about the cards you open
- Only open what you would keep for years
- Look for no annual fee
- Look for grace period
- Accepted everywhere/overseas

**Defensive: Keep your cards longer!** Charge something quarterly to keep card open. Some cards close with lack of use. A small monthly bill being auto charged to this card could also fill this purpose. Just remember to pay them off before the due date.

Try to keep a card in just your name. When you marry, consider keeping a card in just your name and just in your spouse’s name. You can get a joint card if you choose, but this way if a divorce happens in the future or you decide to manage your finances separately you don’t have to close all of your cards and restart the clock. Couples may change how they manage finances during their marriage, so it saves both of your scores.

Limit inquiries
Stay within credit limit
Pay down installment loans
Make all payments promptly
Set up a bill payment calendar
Ensure credit report is accurate
Match credit to appropriate purchase
Keep your older accounts in good standing
Don’t exceed 6% of the limit on a credit card
Take advantage of auto payment plans / options
Don’t add new accounts to lower balances on older ones
Establish new credit only if you have little existing history
Strategies to BUILD Credit

Here is an area where CFSs can really make a difference navigating the credit game and coaching new players to the game. Young adults typically have very low credit scores. This is because they tend to have very short or even nonexistent credit histories.

Starting out right can avoid some practices that cause people issues early on in their credit-building journey.

Offensive: Create a great credit score before your first loan (i.e. your first car loans). This can help you qualify for the best interest rates. Have this talk with your Service members before they go out to get that new car!

The first strategy of building credit cheaply is to use credit cards instead of loans. Why is this?

Credit cards are cheaper than loans if paid off in full each month. They typically can stay open longer helping your history. Additionally, when loans first open you owe almost your entire balance which lowers the “amounts owed” part of your score. Also, with a loan you will almost always be charged interest. So, avoid loans at first and focus on strategic credit card use.

Defensive: Educate Service members on banking products that can run them off course. Line of credit products are often sold as overdraft protection at your bank or credit union. Many people do not even understand what they are signing up for. This is a credit product. It will show up on your credit report, and it comes with a cost. When you spend more than is in your account you essentially borrow from this line of credit and are charged a fee or interest rate, and then it is paid off with your next paycheck or deposit. This often causes a vicious cycle for Service members who are using the next paycheck to meet last week’s charges instead of the planned expenses for the paycheck.

What If No One Wants to Give Me Credit?

It may surprise you that usually you can get a credit card even without credit history. You can ask card companies what their credit score ranges are for a credit card. Some websites like bankrate.com include searchable criteria showing the cards available at each range of credit score, including no score. This can be helpful to know before you apply.

Also, you may be able to apply for your first card easier through your personal bank where they have some record of your financial responsibility even if nothing is showing on your credit report yet.

As a last resort, retail cards are typically more forgiving when it comes to extending credit to customers with low or no credit. Service members should be cautious when applying for credit, however, and make sure they understand all of the terms of credit as well as the available protections. Be sure to check for no annual fee and a card you can use anywhere.

For those who find they cannot qualify for even those credit cards, it is still possible to build credit. Service members can seek secured credit cards, which require a cash deposit with the creditor. If the cardholder does not make payments on the card, they forfeit their deposit. Because the creditor has little risk, even applicants with poor or no credit are likely to receive approval.
Service members should read the fine print regarding secured cards’ annual fees and other costs, which may qualify for waiving or lowering under the Military Lending Act or Service members Civil Relief Act. It is also important to confirm that the lender is going to report activity to one of the three nationwide credit bureaus — Equifax, Experian and TransUnion.

**Strategies to IMPROVE Credit**

If a Service member has credit, but it could use improvement, suggest a strategy session with you or the Financial Counselor or Educator at your Installation Family Support Center to create a spending plan, look at their credit, and make a game plan.

There are the general basics you learned already in this course, like spending less than you make and creating a spending plan. Another important strategy is to stop spending on credit until they have all their balances paid off. This alone can help turn a credit score around. Ideally charge only what they can pay off monthly. However, if they are already in debt, they may benefit from limiting credit spending until finally out of debt. If one wants to get out of a hole, it is important to stop digging it deeper.

Offensive: Adopt a debt repayment strategy.

There are a number of debt repayment strategies like our Debt Destroyer program. The snowball or avalanche repayment options can accelerate your path to being debt free. The Financial Services Provider How-to Guide includes specific instructions for completing this section of the eFPW.

When planning a debt repayment plan, don't forget to include any debts that have gone to collections. It is highly recommended to speak with your Installation Family Support Center Financial Counselor or Educator or local Legal Assistance office before contacting creditors to understand consumer protections and receive help with anything incorrect or illegal.

Offensive: Another strategy to lower your cost and improve your credit is to contact creditors.

They can help your client lower interest rates, which can lower monthly costs and provide more funds for a debt repayment plan. One easy way to ask for this is to call the existing credit card company, tell them you plan to switch to a card with a lower interest rate, and ask what they can do for you. In many cases, they will lower your interest rate to keep you as a customer. This can be effective if you have been a customer with an account in good standing for a year or more, have good credit, and are being charged a higher interest rate.

Additionally, you could be eligible to lower your interest rate through provisions in the Servicemembers Civil Relief Act (SCRA). The SCRA is a federal law that provides protections for Service members as they enter active duty. One of the provisions provides credit-rate reductions of qualified debt to 6% if a Service member’s military obligation makes it difficult to pay on financial obligations such as credit cards, loans, mortgages, etc. Qualifying debts are debts that were incurred by the Service member, or the Service member and their spouse jointly, before coming on active duty. Debts entered into after going on active duty are not protected by this provision of the law. For information on rate reductions under the SCRA, contact your local Legal Assistance office.
As we have already said, focusing on your highest scoring areas can help get the most improvement in the early stages of score improvement. But none of this will last long term if one does not change their behavior. Remember that overcoming debt is more about behavior than financial knowledge. Helping your client talk through how they got into debt to begin with can be life changing. Are they living beyond their means? Are they satisfying all their wants and sacrificing all their needs? Are they an emotional spender or an impulse shopper? A Financial Counselor or Educator at your Installation Family Support Center or CFS can help figure out some manageable changes so that behavior moves Service members in the direction of building wealth, not drowning in debt.

**PROTECT Your Credit**

As a Service member, you already know it is important to protect the things that are important to you. Your credit is just another one of these things. There are a number of steps you can take to protect your credit.

Sign up for an active-duty alert with the three credit bureaus.

Check for identify theft by checking your credit report regularly. Look for accounts you have not opened and names or addresses that are not yours. If you expect ID theft, or are deploying and not planning to open any new credit, you can put a freeze on your credit. It’s free, takes only a few minutes, and makes it virtually impossible for identity thieves to open new accounts in your name. If you choose not to freeze your credit, set up a fraud alert, which allows creditors to pull your credit report but requires them to verify your identity as the person making the request.

Credit monitoring is an easy way to stay on top of your finances, whether you’re home or abroad. If you know there’s a problem, you can take steps to correct any mistakes or fraudulent activity that may impact your credit score. Take advantage of free credit monitoring services designed specifically by the national credit bureaus for Service members. As of October 2019, all three credit agencies — Equifax, Experian and TransUnion — have a legal obligation to provide free credit monitoring for military members. In order to receive this service, military members must set up an active-duty account with each: Equifax, Experian, and TransUnion.

Limit the rights that you give away in any Power of Attorney (POA). This document may give or limit the ability to open new loans, open or close credit or bank accounts in your name, or sell or buy possessions. These become your financial obligations. Please talk with your local Legal Assistance office for more information on this important document and the things you should think about before signing one.

Keep your addresses current as you move. Call all your creditors to update your information and send in a change of address with USPS.com or at your local post office on base. This is important to make sure you receive your bills before the collection agency does. Prevention is the best cure for a good score
The Cost of Credit

When you are seeing new people coming into your command you may introduce the idea of meeting up if they are looking to buy a car as they transition in. This would give you a great opportunity to open a dialog about credit and debt. Maybe even refer them to the Major Purchases Handout from the TC Curriculum and encourage them to come in and see you for a strategy session before they go shopping. Important things for them to understand are:

- How much you borrow
- How long you take to repay
- How much you pay each month
- Where you borrow

How much you borrow and the years you take to repay affect the total cost of any item you purchase. The longer the loan, the more interest you typically pay. Paying extra principal each month can help speed up how fast you will pay things off and reduce the total cost of the original loan. Increasing your down payment or shortening the length of your loan will also reduce the overall cost. Let’s spend a little more time looking at another important factor, where you borrow.

Where You Borrow

Where you borrow will affect the cost of your financing. Here are the most common places to borrow:

**Credit unions:** Credit unions are nonprofit organizations owned by members. They lend to members only and normally offer some of the most attractive rates.

**Commercial banks:** Banks are for-profit financial institutions that offer a wide variety of products. Banks typically lend to lower-risk applicants and rates are usually competitive.
**Savings and loan associations:** These associations are similar to banks, but they generally focus on mortgages or similar services.

**Consumer finance companies** These companies normally deal with higher-risk applicants. Therefore, rates are higher than most of the other options mentioned. You may have seen furniture, jewelry or mattress financing stores that offer this.

**Retail merchants:** Retail merchants can be expensive places to finance any consumer purchase. Rates are often relatively high, because you are paying for the convenience of on-site financing. This applies to both in-store loans and credit cards that have promotional introductory rates that rise rapidly after 90 to 180 days.

**Predatory lenders:** Predatory lenders cater to very high-risk applicants who cannot get approved for credit elsewhere. This type of lender includes advance-fee loans, payday loans, subprime mortgages, title loans, refund-anticipation loans, pawn shops and rent-to-own stores. These lenders charge excessive interest rates and fees, may wrap in unnecessary insurance and often have pre-payment penalties. This is the most expensive money to borrow. If you are considering borrowing from these lenders, you should talk to a Financial Counselor or Educator at your Installation Family Support Center or your CFS first.

**Financial Warning Signs**

Service members tend to have increased financial management issues for a number of reasons including age and military lifestyle. Service members tend to move away from home and their support system at a younger age than the general population. Deployments, frequent moves, the high cost of living at many military locations, and difficulties maintaining spouse employment can increase financial challenges for Service members and their families. Easy access to credit at a young age — without an understanding of how to manage it — can also factor into financial problems.

Not everyone is going to be proactive with their finances. There are warning signs that can help you spot trouble before it gets too out of hand. Look for these warning signs in your command. You may even be able to help catch someone before they fall off the cliff. See *Financial Warning Signs Handout* for more information. The following are possible warning signs of a fragile financial situation:

- Unable to pay bills
- Unable to afford car or having car repossessed
- Bounced checks or overdrawn checking account
- Spouse lost job
- Divorce/separation
- Not enough money
- No emergency fund
- Over your head in debt
- Facing foreclosure
- Can’t sell your home
At this point, financial counseling is recommended to help initiate a plan of action. Things are reaching the critical stage when an individual or family is:

- Rotating bills — paying some this month, some next month
- Borrowing or getting cash advances to make payments — using credit to pay credit
- Being denied additional credit
- Hiding bills or being dishonest with family members about debts
- Seeking additional debt from predatory lending sources, such as payday loans or refund anticipation loans
- Having to rely on a debt-consolidation loan to reduce payments enough to meet monthly living expenses

At the critical point, financial counseling is essential to establish a plan and/or to provide outside sources of help to reduce debt to a manageable level. Helping them establish a budget and debt payoff plan should give you, and them, an idea of exactly where they are starting from. If it is evident that they will not be able to manage their debt obligations with their current situation, pull in assistance from a Financial Counselor or Educator at your Installation Family Support Center.
CFS 12
Financial Referral Resources
Student Manual
I. INTRODUCTION

Command Financial Specialist training focuses on preparing you to fulfill your role as a CFS by providing instruction in the three common CFS task areas: financial education, financial counseling/coaching, and how to be an information and referral resource. Part of being a good CFS is acknowledging that there are limits to your training, authority, personal abilities and time. That is why it is important for you to become aware of the numerous resources available to assist you in your duties. Another consideration when making referrals is that you must not “endorse” any non-federal entity (NFE) or non-governmental organization (NGO).

Throughout this CFS course, guest speakers are used to acquaint you with different resources available on a referral basis for your clients. To assist in this effort, this chapter is presented in two sections:

1. The first section is used to orient you to different referral resources and endorsement considerations when making referrals.

2. The second section is a practical application with case studies to confirm your understanding of how to assist your clients with referrals.

This chapter continues the focus on resources by introducing some of the main referral resources that work with the CFS using guest speakers. You will be compiling a list of important referral resources to include the Installation Family Support Center and the Service-Specific Emergency Relief Agencies.

Chapter Correlation to Common CFS Task Areas:

1. Education and Training: This chapter has no direct correlation to PFMSC modules. However, the information presented in the resource training portion will complement any and all general training conducted by the CFS, as "Sources of Help" is a part of each PFMSC module. Additionally, the CFS is exposed to many different training techniques when guest speakers are invited into the classroom.

2. Information and Referral: Learners are given "facetime" with key financial referral resources, enhancing their understanding of what the resource does and the ability to clarify appropriate application to client situations.

3. Counseling/Coaching: Referrals often are an important aspect of counseling, and knowing the right way to make the referral to the appropriate resource can motivate a client to action. This topic provides necessary and relevant training for a key part of the counseling cycle.
II. LEARNING OBJECTIVES

Using a scenario-based activity, the learner will identify the appropriate referral resources for situations commonly encountered by a CFS. Using blank resource pages, the learner will create a resource list of local important referral resources.

III. REFERENCES

www.nmcrs.org (Navy-Marine Corps Relief Society)
www.cgmahq.org (Coast Guard Mutual Assistance)
www.aerhq.org (Army Emergency Relief)
www.afas.org (Air Force Aid Society)
www.tricare.mil (TRICARE Management Activity Portal)
www.militaryonesource.mil (DoD)
www.cgsuprt.com (Coast Guard)

IV. CONTENT

Use the eight blank resource pages at the end of the chapter to compile a list of important local referral resources that you will use as a CFS.
Making a Referral

One critical part of your role as a CFS is to make successful referrals. Your goal is to prevent future financial problems from recurring. Your responsibility is to discuss other sources of help with the client and to suggest referrals to the appropriate community and military agencies.

The steps to making a referral are:

1. Determine the needs of the client,
2. Determine if a referral is necessary,
3. Select the appropriate referral resource and make the referral, and
4. Monitor and follow up.

Consider the following when contemplating a referral:

1. Determine the needs of the client: In step one, we determine the client’s specific needs. This should be evident after working through the Financial Planning Worksheet. Consider the following when contemplating a referral:

   First, know that there are people you CANNOT help as clients. You will know who these people are, as they will display actions that are exceptions to the Privacy Act. In such cases, work with the command, security, the Substance Abuse Rehabilitation Program coordinator, or other people in authority. These would include:

   • People who are engaged in any kind of criminal activity. Do not endanger yourself or open yourself to possible legal problems and time-consuming criminal court appearances.
   • Drug addicts or alcoholics, unless in supervised treatment. If you find a large amount of income for which you cannot account in their listed expenses, there is a good possibility that such income is being used for alcohol, drugs or gambling, or for some other activity that your client wants to hide.
   • Intoxicated persons. Do not attempt financial counseling with someone who is drunk or drugged, but be careful not to jump to conclusions about behavior that initially might suggest that the person is under the influence of drugs or alcohol.
   • Psychotic and borderline personalities. Such people will tend to exhibit intense outbursts of emotion, such as uncontrolled crying or screaming, amnesia, hallucinations, exceptional fear or rage.

   If you identify or suspect emotional issues and other kinds of problems that CFSs are not prepared to handle, these issues may be exceptions to the Privacy Act and you should refer to the Installation Family Support Center’s professional therapists, your branch of service’s substance abuse program, local authorities, or the Military Treatment Facility (MTF) for assessment. Examples include:
   - Talk or hints of suicide/homicide
   - Problems with substance addictions
   - Problems with psychological addictions
   - Spousal or child abuse (Note: As a Service member, you are a mandatory reporter for suspected or known child abuse or neglect. Per law, you can report to Family Advocacy or your state’s child protective services.)
- Marital problems
- Interpersonal problems at work
- Anger-management problems — intense or uncontrollable outbursts of rage, fear or other emotions
- Chronic and severe depression
- Phobias
- Chronic insomnia
- Amnesia
- Hallucinations
- Feelings of profound helplessness
- Extreme anxiety
- Verbal responses unrelated to your questions
- Generally bizarre behavior

**Identify needs:** You will know if a financial referral is appropriate after working through some of the following considerations:

• **Immediate needs:** Does the client have an emergency need that must be addressed NOW? Refer to the appropriate emergency referral resource.
  - If the client has received an eviction notice, when is the last date the client can occupy the residence?
  - If the client has received a cut-off notice for utilities, when will the service be terminated?
  - Does the client have enough money for food and other necessities until the next payday?
  - Does the client have adequate clothing and transportation?
  - What resources does the client have available to meet his/her emergency needs, such as savings, checking, cash-value life insurance, family, friends, etc.?
  - Recommend that the client return for a follow-up appointment after meeting with the appropriate emergency referral resource.

• **Long-term needs:** Assess the client’s needs that do not require immediate intervention. Here you may need to refer to an appropriate financial referral resource, or you may be able to handle the client’s problems yourself:
  - Has the client ever seen a financial counselor regarding his or her financial problems?
  - Is the client delinquent in paying any accounts? If so, when was the last payment made on each account and the amount?
  - Is this the first time the client has experienced financial difficulties of this sort?
  - Have any of the client’s debts been turned over to a debt collection agency?
  - Has the command received Letters of Indebtedness concerning the client?
  - Has the client received final notice for payment from any creditors?
  - Are any of the client’s creditors threatening to take legal action?
  - Has the client had any judgments filed against him or her by creditors or received notices to appear in court for nonpayment of debts?
  - Has the client contacted the creditors and tried to work out a repayment plan? If not, when was the last time the client contacted the creditors?
  - What has the client done to try to solve the problem?
2. **Determine if a Referral Is Necessary**

Decide whether the client needs help that goes beyond the scope of your training and responsibility as a CFS. In making that decision, consider the following questions:

- What is the client asking of me?
- What is the severity of the problem?
- In what area does the problem exist?
- Who is involved other than the client seeking help?
- What are the consequences of the client’s or my actions?
- What additional information is needed to solve the problem?
- What support is the client seeking and/or needing?
- Is the problem similar to other problems I have dealt with?
  
  *(ASK: What if the answer is no? There is a first time for everything…)*
- Are other personal problems involved outside the financial concerns?
  
  *(You take care of financial problems, refer to other resources for other problems, such as emotional fallout.)*
- Is money needed to solve the problem? *(Refer to an agency with money.)*
- Are court proceedings or legal actions indicated? *(Refer to Legal.)*
- Does the problem require long-range planning, frequent follow up, and close monitoring?
  
  *(SFFC is short-term — refer to an outside financial-counseling agency.)*
- Will it take longer than three months or five sessions for the client to be able to resume managing his or her financial affairs without my support? *(SFFC is short-term — refer to an outside agency.)*
- Are the client and/or I uncomfortable discussing the problem? *(Find a way to deal with the discomfort, refer to another CFS, or refer to a Financial Counselor at your Installation Family Support Center.)*
- Do I know of outside agencies that fit this client’s situation? Can we work together?
- Are there other military programs that fit this client’s situation? Can we work together?
3. Select the Appropriate Referral Resource and Make the Referral

By conducting the assessment via the questions listed above, you should be able to come to a decision regarding the appropriateness of a referral. Once you have a thorough understanding of the client’s needs and problems and have made the decision to refer the client to a resource, you should make the referral promptly.

a. Explain that you have done all you can do as a CFS or that the client’s needs go beyond the scope of your service and expertise. Any further progress toward a solution for the problem requires the use of another resource.

b. Select the referral resource best suited to assist with the client’s particular problem. Select no more than two to three resources per client session.

c. Suggest that the client call a specific agency or professional service and provide contact information.
   • If needed, you can make a warm handover to the referral resource or call the referral resource and set up the appointment while the client is in your office (with the client’s permission). Let the agency know that this is a command referral and briefly describe the client’s problem.

d. Tell the client that it is recommended that they follow through with seeing the referral resource.

e. Prepare the client for the appointment with the referral resource.
   • List what the client needs to prepare for the appointment
   • Give written information to the client – date and time of appointment (if an appointment was made), agency, address, telephone number, contact person, and information to bring to the appointment. Use the “Action Plan” referral section of the Financial Planning Worksheet.
   • Arrange for absence from work, if necessary.

4. Monitor and Follow Up

Follow up with the client after completing the referral:

• Did the client keep the appointment?
• Was the referral resource able to help the client? If so, what assistance was given?
• Continue to offer support and encouragement to the client as he or she works out the financial problem and monitor/record progress of the client in your case file if your branch of service requires.
• Does the client need anything else?
Developing Your Resource Database

Making prompt and appropriate referrals for your client is a key task of the Command Financial Specialist. You must be aware of the available resources in the community and in the military. Find out what they do, if they are reliable, if they are accessible, if your clients are eligible for the services, etc.

Develop a referral resource listing, database or file system. Include the following information:

1. Name, address and telephone number, email address and website of each referral resource,
2. The name of a contact at the agency or organization,
3. A brief description of services provided, and
4. If available, have copies of brochures from the resource.

You will be able to compile a substantial listing of financial resource referrals from information given out in this class. Student Manual pages 12-14 to 12-21 can be used to compile your resource referral list. You can also refer to the Governing Directives in Appendix H, the Resources for the Savvy CFS listed in this chapter, and the “References” section of each chapter in the Student Manual to compile your database. Be sure to include any and all websites given out during the class. Finally, write down the name, email address and phone number of your Installation Family Support Center’s Personal Financial Manager, who always is standing by to assist with finding the appropriate resource for your client.
Resources for the Savvy CFS

Banks
Help with My Bank: www.helpwithmybank.gov
Bank Complaints: www.occ.treas.gov

College Planning
National Student Loan Data System (NSLDS): https://nsldsfap.ed.gov/nslds_SA/
Free Application for Federal Student Aid: www.fafsa.ed.gov
Federal Student Aid: www.studentaid.ed.gov
Navy College: www.navycollege.navy.mil
U.S. Savings Bonds: www.savingsbonds.gov

Consumer Directories
Consumer Gov: www.consumer.gov

Credit Reports and Problems
Consumer Financial Protection Bureau (CFPB): www.consumerfinance.gov
Annual Free Credit Report: www.annualcreditreport.com
Federal Trade Commission: www.ftc.gov

Direct Marketing/Mail/Telephone Solicitation Lists
FTC Complaints: www.ftc.gov
Telephone Solicitation: www.donotcall.gov

Emergency Financial Assistance
American Red Cross: www.redcross.org
Navy-Marine Corps Relief Society: www.nmcrs.org
Coast Guard Mutual Assistance: www.cgmahq.org
Army Emergency Relief: www.aerhq.org
Air Force Aid Society: www.afas.org

Financial Planning and Investor Education
U.S. Financial Literacy and Education Commission: www.mymoney.gov
Thrift Savings Plan: www.tsp.gov
U.S. Savings Bonds: www.savingsbonds.gov
Government Agencies
Bureau of Labor and Statistics: www.bls.gov
Department of Education: www.ed.gov
Federal Communications Commission: www.fcc.gov
Federal Deposit Insurance Corp.: www.fdic.gov
Federal Reserve System: www.federalreserve.gov
Federal Statistics Site: data.gov
Federal Trade Commission: www.ftc.gov
Securities and Exchange Commission: www.sec.gov

Identity Theft
FTC Identity Theft: www.identitytheft.gov
Federal Trade Commission: www.ftc.gov

Insurance
Social Security Administration: www.ssa.gov
Department of Veterans Affairs: www.va.gov (Servicemembers Group Life Insurance - SGLI)
www.benefits.va.gov (SGLI, VGLI, FSGLI, TSGLI, S-DVI, VMLI, etc)
Defense Finance and Accounting Service: www.dfas.mil (Survivor Benefit Plan - SBP)

Internet Fraud
Federal Government and Technology Industry Internet Fraud Site: www.onguardonline.gov
Federal Trade Commission: www.ftc.gov
Internet Crime Complaint Center: www.ic3.gov
Federal Bureau of Investigation: www.fbi.gov

Legal Information
SCRA: https://scra.dmdc.osd.mil/scra/#/home
Consumer Financial Protection Bureau, Office of Servicemember Affairs (OSA):
www.consumerfinance.gov/consumer-tools/educator-tools/servicemembers
Military
TRICARE: www.tricare.mil
Military Compensation: militarypay.defense.gov
Navy: www.navy.mil
Marines: www.marines.mil
Coast Guard: www.uscg.mil
Army: www.army.mil
Air Force: www.af.mil
Defense Finance and Accounting Service: www.dfas.mil
myPay: https://mypay.dfas.mil/
Coast Guard Pay and Personnel Center: dcms.uscg.mil
Coast Guard Direct Access: hcm.direct-access.us
Military OneSource: www.militaryonesource.mil
CG SUPRT: www.cgsuprt.com

Moving
Military Move: www.move.mil

Taxes
1. The day after a command party, Deborah Jones calls you begging for help. She and her husband, Daryl (E-5) got into a big fight. She says that he was angry that she would not let him drive home as she felt he had too much to drink. She then tells you that he hit her several times.

2. You are the sponsor for Melissa Marino (E-4). She is due to report to the command in two months. She informs you that she is a single parent of a special needs child. She requests information on resources for her child and how to get past-due child support.

3. Dave Candelaria (O-1) is reporting to your command and you heard that he got married while home on leave. His wife Tricia is new to the military and needs resources for the area. Additionally, she is a nurse and is looking for a job and information on paying off her student loans.

4. Jose Portilla (E-5) reports to you that due to a computer problem, he was not paid. He is married and they have a 6-month-old baby. His immediate concerns are paying rent and buying food and baby supplies.

5. Sarah Mack (E-3), single and lives on base, just found out she is pregnant. Her fiancé just deployed. She is looking for information on child care and any other financial resources that might be helpful, including housing.
6. Peter Cain (O-3) is a single parent at your command. His sister will be taking care of his child while he goes on a six-month deployment. He is requesting information on how his sister can get on base to have access to medical and other facilities.

7. Rebecca Steed (E-2) approaches you and is very upset. She recently got married in between boot camp and her first duty station, but her dependent BAH has not started yet. She and her new spouse signed a lease upon arrival, but without the dependent BAH they are at risk of being unable to make the next rent payment.

8. Stan Morrow (E-5) has recently become separated from his spouse. He is not sure if they want to get divorced. He is looking for resources and options.

9. Craig Barnes (E-6) and his spouse have just arrived from overseas to your command. He tells you that their household goods have not arrived. He tells you his foreign-born wife speaks very little English and that they are expecting their first child.

10. Shelia Edwards (E-4) approaches you requesting help for a co-worker who has financial problems. The friend is an E-2, now two months behind on their car payments, and has high credit card debt. Additionally, Shelia admits her friend is stressed out by these problems.
## NAME OF RESOURCE:

<table>
<thead>
<tr>
<th>Point of Contact:</th>
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What is the resource?

Who is eligible for the resource?

Description of services and additional information:
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<td>additional</td>
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<td>information:</td>
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- **What is the resource?**

- **Who is eligible for the resource?**

- **Description of services and additional information:**
I. INTRODUCTION

The main focus of this training section is the discussion on instructional techniques. You are being given all the information and materials you need to conduct training. We will be focusing on instructor training techniques and styles to bring the training sessions to life. To make them truly effective, we will focus on making them participant-centered, active learning experiences. Providing training at the command level is crucial, so we will work with you to enhance both your training skills and your comfort with providing training.

Chapter Correlation to Common CFS Task Areas:

1. Education and Training: This chapter provides students specific instruction on how to be an effective trainer.

2. Information and Referral: No direct correlation.

3. Counseling/Coaching: No direct correlation.

II. LEARNING OBJECTIVES

Upon completion of this lesson, learners should have a foundation to deliver financial training to both large and small groups.

III. REFERENCES

NAVETRA 14300A

NAVAL LEADERSHIP AND ETHICS CENTER, Facilitation Skills Handbook OCT 2017

IV. CONTENT
Before reading this chapter, answer the following questions. As you read the chapter, you can add to or modify your answers.

**What makes a person an instructor?**

**What makes a good instructor?**

**What makes a great instructor?**

**Are there key elements that can make a good instructor great?**

**How do we motivate our learner to learn the material and then use it to improve their financial future?**

Motivation, the “I want” that drives the “I can,” is the driving force that makes you accomplish something. It is stimulus, impetus and incentive. It is key to successful training, as it is a necessary condition for learning, a causal factor in learning, and a consequence of learning. Motivation will make learners cooperative and will stimulate adults to learn. Adults choose to learn, and they will make that choice in an effort to resolve problems, enhance understanding, master a skill or topic, or simply to improve themselves.
Adult Learner Characteristics

Andragogy Method
Andragogy is a learner-centered approach to instruction where the teacher acts as a facilitator to help bridge the gap between student and knowledge. The learner is viewed as an independent entity, who enters the learning experience with a unique set of experiences and motivators.

Self-concept. Our learners are directed by their own plan. They want input into what the learning outcomes will be. Course and topic objectives still have to be met, but learners might want to take it further. As a facilitator, it is up to you to use your time wisely and use discretion on how you will meet the learner’s needs.

Experience. Our learners bring an ever-growing reservoir of experience and knowledge to the classroom. They want to, and need to share their experiences with the rest of the class. It is your job as a facilitator to solicit this experience and ensure it relates to the objectives.

Readiness to learn. Our learners are focused and ready to learn in a highly pragmatic way. They want to learn those things that will have a direct impact on themselves, their family, and/or their work. Relate the material being taught to practical applications. Our learners want to hear real life lessons learned. They want to share our challenges and our successes. Too much theory without practical applications will lose the adult learner.
Orientation to learning. Our learners need problem-centered learning more than subject-orientated learning. Learning about a specific leadership or ethics theory is not suitable for adults, unless they can see and practice the application of this theory. It is important for facilitators to choose case studies that are relatable (by rank, warfare, experience, etc.) to the audience.

Motivation. Our learners are learning for a reason and they are pushing themselves from within. They are sparked by an inner source and have a sense of urgency about their learning. Unlike pedagogical learners, they are internally motivated to learn about new concepts and are eager to apply them. We recognize that not all of our learners might share internal motivation, such as those who must take our courses as a requirement. Use class time to include the learner’s experiences and strengths to emphasize the value they bring to the classroom.
Active Training Techniques

Adult Learning Styles — For adults to learn, instruction must be stimulating and have something for all types of learners.

Some people are visual learners. They rely on their sight to learn new information. With visual learners, demonstrations and visual aids (e.g., charts, videos, slides, pictures) are very effective.

Some are auditory learners. They like to listen to explanations and discuss new information with others. They learn verbally. Lectures, group discussions, and audio files are effective for this group.

Finally, some learners are known as kinesthetic learners. This group learns best by doing. They enjoy “hands-on” experiences and need to practice information when a combination of learning styles is used.

An effective instructor will present information in a combination of ways: visually (learners see it), verbally (learners hear it), and interactively (learners do it), so that people are engaged by the training.
# Facilitating Discussion

<table>
<thead>
<tr>
<th>TECHNIQUE</th>
<th>DON’Ts</th>
<th>DOs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demonstrating Expertise</td>
<td>Believe you are the ultimate subject matter expert, or</td>
<td>Remember:</td>
</tr>
<tr>
<td></td>
<td>Fail to prepare yourself as a subject matter expert</td>
<td>• It is OK not to know everything</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• It is OK to be imperfect as an instructor</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• To facilitate learning, rather than deliver it</td>
</tr>
<tr>
<td>Relating Training to Real Life</td>
<td>Be afraid to ask participants to raise their real-life challenges in the class</td>
<td>Add your personal stories to add interest or to highlight a point</td>
</tr>
<tr>
<td>Gaining Attention</td>
<td>Forget that you are not the focus of the training; you are only the facilitator</td>
<td>Use your presentation skills to capture student attention with something novel, a story, a visual, animation, or question</td>
</tr>
<tr>
<td>Using Visual Aids</td>
<td>Use PowerPoint to</td>
<td>Use PowerPoint to</td>
</tr>
<tr>
<td></td>
<td>• Show every word you have to say</td>
<td>• Focus the conversation</td>
</tr>
<tr>
<td></td>
<td>• Read from the screen</td>
<td>• Highlight points</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Illustrate models</td>
</tr>
<tr>
<td>Highlighting Important Points</td>
<td>Insist on delivering every point you believe should be made</td>
<td>Use memory aids for important points, for example:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Starting with the most important content</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Repeating it and relating it</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Providing organizers such as outlines, flowcharts, acronyms, and chunking</td>
</tr>
<tr>
<td>Using movement in the classroom</td>
<td>Stand in one place in the classroom</td>
<td>Move close to students</td>
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<tr>
<td></td>
<td>Be afraid to go close to participants</td>
<td>Look directly at each participant throughout the class</td>
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<tr>
<td></td>
<td></td>
<td>(Eye contact is important)</td>
</tr>
<tr>
<td>Using questions to generate discussion</td>
<td>Be afraid to:</td>
<td>Use effective questioning, for example:</td>
</tr>
<tr>
<td></td>
<td>• Question what participants say</td>
<td>• Asking open-ended questions</td>
</tr>
<tr>
<td></td>
<td>• Encourage others to question you</td>
<td>• Asking follow-up questions to participants’ answers</td>
</tr>
<tr>
<td></td>
<td>• Call on specific participants</td>
<td>• Reflecting answers to other participants</td>
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</tbody>
</table>

## Instructional Techniques

13-6
### Motivate Your Learners

**Fill in the 1st column with the concept being summarized in the 2nd column:**

<table>
<thead>
<tr>
<th>CONCEPT</th>
<th>SUMMARY</th>
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</thead>
<tbody>
<tr>
<td><strong>Emphasize the practical knowledge.</strong> It is important to design a course that provides immediate relevancy. Learning materials that can be put into practice. Adult learners appreciate more practical knowledge, rather than extraneous facts and theories.</td>
<td></td>
</tr>
<tr>
<td><strong>Adult learners sometimes like to take the opportunity to construct knowledge in a way that is meaningful to them.</strong> For this reason, you should have all sorts of materials, references, infographics, short videos, lectures, podcasts, and free resources available. In such an environment learners are more likely to get inspired or find something that makes them want to learn more.</td>
<td></td>
</tr>
<tr>
<td><strong>Humor would work great even with the most demotivated learners in your course.</strong> When your students know you are funny, they will listen to your material carefully, because they would not want to miss on your witty sense of humor. You can never lose with that.</td>
<td></td>
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<tr>
<td><strong>“Chunk” information as much as possible.</strong> It helps people remember and assimilate information. Small bits are easier to process.</td>
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<tr>
<td><strong>Empower participants to individualize the training to suit their needs and to work on their goals for the training.</strong></td>
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<tr>
<td><strong>Let your audience answer question incorrectly. According to a German proverb, “You will become clever through your mistakes.”</strong></td>
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<tr>
<td><strong>Did you know that 83% of learning occurs visually? Utilize visual aids to convey key points or to make relative connections.</strong></td>
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<tr>
<td><strong>If you do not sound inspiring, if your materials are not exciting, how will you motivate your learners? Get participants emotionally involved – making controversial statements and adding real stories can engage them in the lesson.</strong></td>
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</tbody>
</table>
Humor in Presentations

• Appropriate humor will turn “ha-ha” into “a-ha”
• Humor helps people relax
• During and immediately after the use of humor, people suspend judgment. This is a teachable moment — call it the “laughter-math” and take advantage of it.
• Humor can be very simple — showing a funny cartoon, T-shirt, hat or button. It can be more complex — humorous ways of choosing groups, games and activities with a humorous twist. Humor can include props as well. Although humor should be appropriate to the training, there are times when humor for humor’s sake is OK, too.
• Humor makes training fun, but it doesn’t make fun of trainees.
• Humor isn’t necessarily telling a joke so much as communicating a sense of humor.
• Here are eight E’s of humor:
  1. Environment: Have a humor-filled environment
  2. Entrance: Start the workshop with humor
  3. Ear Ye, Ear Ye: Listen to participants; let them share humor
  4. Exercise: Use humorous but relevant exercises
  5. Exaggerate: Use humorous exaggeration to stress a point
  6. Energize: Use energizers that refresh and amuse
  7. Enhance: Use humor that goes for the jocular vein, not the jugular!
  8. Extend: Use humor that will extend learning
Visual Aids

Visual aids can:

- Improve audience understanding and memory
- Serve as notes
- Provide clearer organization
- Facilitate more eye contact and motion by the speaker
- Contribute to speaker credibility
- Supplement facilitation key points

Tips for using visual aids

- Stand to the side of the visual aid. Do not obscure the visual aid if at all possible. Traditionally, speakers have the visual aid on their left.
- Maintain eye contact. While the visual aid will be tempting to many speakers, the audience should still be their main focus. When a speaker loses eye contact, they often end up turning their back to the audience. **A SPEAKER SHOULD NEVER TURN THEIR BACK TO AN AUDIENCE.**
- Introduce a visual aid before talking about the information contained in it. Giving background on where the information for the visual aid was obtained provides the audience with more resources for understanding the content of the speech.
- Practice with a visual aid. The visual aid adds an additional focus for the audience, and the speaker should be able to effectively and smoothly interact with the aid to minimize distractions.
- Make sure the visual aid supports the message. Consistency between what is being said and what is being seen is crucial to a speaker’s credibility.
- Supplement, do not supplant, the speech with the visual aid. Do not allow the visual aid to overwhelm the speech itself. Visual aids are not crutches to lean on, but rather lampposts to illuminate.
- Ensure the logistics of the setting are conducive to the visual aid. Make sure that everyone can see the visual aid, that any electronic equipment necessary for the visual aid is functioning (and that the speaker knows how to operate it), and that the visual aid is set up before the speech (there’s few things worse for an audience then having to wait while a speaker fiddles with their equipment).
- Point out key elements in the visual aid, especially if it is complicated. Pictures, charts, graphs, and some objects, are often so complex, with so much “going on,” that the audience might need to be directed to the area of the visual aid that the speaker is referencing.
- Avoid distributing materials before the speech. If there are supporting materials to assist the audience, they should be passed out either before or after the speech. Failing to do so will delay the speech, lead to much rustling of paper, and is an unnecessary distraction.
- Limit lists. If the visual aid utilizes lists to communicate the central ideas of the speech, do not overwhelm the audience with endless lists on one slide or page. Generally, only five items should be on any single slide or page of a visual aid.
- Remember that simplicity is a good design principle. Do not overload a visual aid with unnecessary information, color, font changes, or superfluous images.
The first challenge a facilitator has when managing participant behavior, is recognizing the efficacy and extent of comments. Then the facilitator must choose the appropriate intervention, to ensure the dialog is productive. Inevitably you will encounter behavior in the classroom that is not productive for learning. It is not necessary or appropriate to intervene each time a group member manifests a disruptive behavior. One or two exhibitions of negative behavior do not constitute a pattern.

Only when a disruptive behavior becomes repetitive, has a negative effect on the group, or becomes irritating to you does it become an issue to be addressed. At that point, it is desirable to intervene to eliminate the behavior. If you must label someone’s behavior, remember that the behavior is not the person. It is only one aspect of the person. Also, remember that people can and do change. When an individual is primarily showing a negative side, it is difficult to see the positive. You, as a facilitator, need to reinforce any positive behaviors and attempt to minimize the negative ones.

Fill in the tables:

<table>
<thead>
<tr>
<th>“PERSONALITY”</th>
<th>TYPICAL BEHAVIOR</th>
<th>CLASSROOM EFFECT</th>
<th>INSTRUCTOR STRATEGIES</th>
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</thead>
<tbody>
<tr>
<td>The Assistant</td>
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<td></td>
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<tr>
<td>AKA</td>
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What to say: “We need everyone to have the opportunity to bring their thoughts into the conversation.”
What to say: “Thank you for your insight. It is very important to the success of the class that everyone has opportunities to contribute.”

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<tr>
<td>AKA</td>
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What to say: “Some ideas may seem off-putting, at first, but I encourage you to bring your thoughts into the conversation.”

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<tbody>
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What to say: “Thank you for your insight. It is very important to the success of the class that everyone has opportunities to contribute.”
Practically Perfect Presentations Checklist

If you do not have a lot of experience making presentations, the following checklist will help you be more comfortable in the classroom and assist in delivering successful training.

Logistics
• What is the date and time of the training?
• Where will the brief be held?
• Are there facilities for video, slide show or other electronic presentations?
• Can you arrive early or check the day before to ensure the tech will run smoothly?
• How many participants will there be?
• What are the audience demographics?
• Do you need to provide training materials?

Speaker Analysis
• Do you have a clear purpose in mind? Do you know what you want? Do you know what your listeners want to learn, or to be able to do?
• Have you organized and rehearsed the beginning and ending of your presentation?
• Do you appear calm and prepared?
• Are you establishing and maintaining eye contact?
• Are you speaking in a direct, friendly, conversational manner?
• Are your notes unobtrusive and not distracting?
• Are you relaxed and ready to go?

Audience Analysis
• Have you considered what interests your listeners have and how these interests will affect their attentiveness?
• Is there a certain person or group with whom you have avoided speaking? Don’t do that!
• What is your credibility rating with your audience?
• Have you considered WHOM your listeners are most likely to believe?

Message Analysis
• Are the central ideas of your presentation important, significant and/or interesting to your audience?
• Do you have a clear, unified, central idea? Is it narrow enough to be done correctly in the time allotted?
• Is the intent of your presentation to inform, to persuade, or both?
• Does the introduction “grab” your audience’s attention?
• Does your conclusion adequately summarize your presentation?
• Can you possibly shorten your presentation? If so, do it!

Opening Remarks
• Look at your audience and smile
• Get their attention; arouse interest in the presentation
• Reveal and preview your topic; make the purpose of your presentation clear
• Establish your credibility for speaking on the topic
• Don’t make excuses or apologize
• Never compare audiences

Closing Remarks
• State that you are concluding your presentation
• Summarize your main idea
• If appropriate, and time allows, ask if there are any questions; set a time limit for questions, and make yourself available to answer questions after the presentation
• Compliment your audience
• Have a “call to action”
• Finish with a BANG!
• Thank the audience; let them know that this was a good beginning and that you would be happy to come back again

Questions and Answers
• Decide when and if you’ll take questions
• Limit time
• Don’t answer unless you can
• Be brief
• Recognize questions in order
• Repeat the question before answering
• Soften words in hostile questions when repeated
• Use the audience to answer questions
• Avoid conversations
• Be courteous
• Don’t let the question-and-answer session drag
I. INTRODUCTION

The goal of this training topic is to provide basic information on the key aspects of the Survivor Benefit Plan (SBP). This information will assist CFS personnel in educating Service members and their spouses, to aid them in making informed decisions about SBP’s role in their retirement plan.

Chapter Correlation to Common CFS Task Areas:

1. **Education and Training**: Introduces you to major topic areas via models, lecture and class participation.

2. **Information and Referral**: Referrals to appropriate resources and check for updates.

3. **Counseling/Coaching**: Introduces you to major topic areas for options and considerations which affects making informed decisions.

II. LEARNING OBJECTIVES

Upon conclusion of the course, learners will understand the eligibility, function and benefits of SBP so that they may educate Service members on how to make the best decision for themselves and their beneficiaries.

Learners answer one, multiple-choice question regarding SBP eligibility.

Learners will answer 10 questions to review content material about the SBP coverage, costs, options and considerations.
REFERENCES


“Annuities Based on Retired or Retainer Pay.” Title 10, U.S. Code, Chapter 73.


U.S. Coast Guard Pay & Personnel Center https://www.dcms.uscg.mil/Our-Organization/Assistant-Commandant-for-Human-Resources-CG-1/Pay-and-Personnel-Center-PPC/

CONTENT
Survivor Benefit Plan (SBP) and Eligibility

SBP was established by Public Law 92-425 on 21 September 1972. The SBP is a government-subsidized program that guarantees that a portion of a Service member’s monthly retirement pay will continue to be paid to a spouse or other designated beneficiary after the Service Member’s death. Unlike any other resource available, the SBP monthly payment is guaranteed by the government and protected from inflation. All active-duty Service members are automatically enrolled in SBP at no cost.

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular Service members on active duty</td>
<td>SBP Benefits calculated as if retired with 100% disability. Death must be in Line of Duty (LOD) unless retirement-eligible. If retirement eligible and found not in Line of Duty, benefits based on years of active service. SBP coverage provided at no cost and beneficiaries determined by law.</td>
</tr>
<tr>
<td>Regular Service members retired</td>
<td>SBP if they enroll upon retirement. Line of Duty determination not applicable. If coverage elected must choose SBP beneficiary category and pay part of the coverage cost.</td>
</tr>
<tr>
<td>Reserve and National Components in non-drilling status with less than 20 years of service who die in a non-duty status</td>
<td>No SBP or RCSBP*.</td>
</tr>
<tr>
<td>Reserve and National Components on Federal Active Duty, regardless of years of service</td>
<td>SBP Benefits calculated as if retired with 100% disability. Death must be in Line of Duty. If retirement eligible and found not in Line of Duty, benefits based on years of active service. SBP coverage provided at no cost and beneficiaries determined by law. If retirement eligibility based on 20 creditable years toward non-regular retirement and found not in LOD, RCSBP* coverage applied with beneficiaries determined by law.</td>
</tr>
<tr>
<td>Reserve and National Guard Components in non-drilling status with at least 20 years of service</td>
<td>RCSBP* only if they enrolled with Option B or Option C when they received 20-year letter; or received the 20-year letter, are within the 90-day period, but have not made an RCSBP election; or should have received a 20-year letter. Death does not need to be in Line of Duty.</td>
</tr>
</tbody>
</table>

RCSBP*: Reserve Component Survivor Benefit Plan (RCSBP)
Eligibility

Survivors of Service members who die in the Line of Duty on Active Duty may be eligible to receive SBP benefits. Beneficiaries are established by law. There are five categories of survivors who may receive benefits:

1. **Former Spouse based on a court order:**
   SBP benefits may be payable to the former Spouse of a Service member who dies on active duty only if a court order ordering the Former Spouse election was issued before the date of the Service member’s death or at the Service member’s death a pending court case involving SBP subsequently awards the former Spouse the SBP.

2. **Spouse:**
   If no Former Spouse awarded SBP, the Spouse is the beneficiary. For Surviving Spouses with Children, benefits (referred to as an “annuity”) are paid to the Spouse but by law go to any eligible Children if the Spouse is no longer eligible for the SBP annuity. SBP annuities for survivors of Service members who die on active duty are 55% of what the Service member’s retired pay would have been if they had retired on that date with a 100% disability, which is 75% of the Service member’s highest 36 months of base pay (or of final base pay for Service members who entered military service before 8 September 1980).

3. **Child(ren), Spouse Excluded:**
   When the last Child is no longer eligible for SBP, the SBP annuity stops and will not revert to the Surviving Spouse. Surviving Spouses, therefore, should give careful consideration before relinquishing this important benefit.

4. **Child(ren) Only:**
   If a Service member who dies on active duty has SBP-eligible Children but is not married, benefits are paid under the “Child(ren) Only” category, and all eligible Children divide the SBP annuity equally. If the SBP annuity is divided among multiple Children, as each Child ages beyond the eligibility limit, the annuity is reapportioned among the remaining Children. Children may receive SBP benefits until age 18, or age 22 if enrolled full time in high school, college, vocational or technical school, or another recognized educational institution.

5. **Insurable Interest:**
   If, upon the active-duty death of a Service member, there is no eligible former Spouse, Spouse, or Children, benefits may be paid to a person who was at the time of the Service member’s death a dependent with a military Dependent ID card. Benefits are payable for life.
Eligibility

Service members, who are covered under SBP at no cost while on active duty, are eligible to continue participating in SBP when they transfer to the Retired List by paying a premium. If they have eligible dependents whom they could name as SBP beneficiaries but do not do so, they will never be able to enroll for those SBP categories in the future. If a Retired Service member is recalled to active duty, their original SBP election cannot be changed upon subsequent release from active duty. There are six categories of survivors who may receive benefits:

1. **Spouse Only:**
   SBP was designed with the military spouse in mind (former spouse costs and benefits follow the same rules). The annuity is paid throughout the surviving spouse’s lifetime; it cannot be outlived.

2. **Spouse and Child(ren):**
   With the spouse and child option, the spouse is the primary beneficiary and children are secondary beneficiaries. The annuity is not paid to the children unless the spouse first loses eligibility through remarriage before age 55 or by death. Even then, the children must be under age 18 (or 22 for full-time students) to be eligible.

3. **Child(ren) Only:**
   Children are eligible for coverage if they are unmarried and under the age of 18. If they are still full-time students, they can be covered until age 22. Coverage also applies to children who are unable to support themselves due to a physical or mental disability that existed before they were 18 or 22, if the child was a full-time student when they became incapacitated or disabled.

4. **Former Spouse:**
   Benefits for a former spouse are identical to spousal benefits. If a former spouse is covered by SBP, a current spouse and/or children of the current spouse cannot be covered. When electing former spouse coverage, the member must file a written statement with the Defense Finance and Accounting Service (DFAS) or the U.S. Coast Guard Pay & Personnel Center (PPC) indicating the reason for the election. The current spouse must also be informed of the election.

5. **Former Spouse and Dependent Child(ren) of that Marriage:**
   For the former spouse and children option, the spouse benefits are the same as the former spouse option. This option, however, only applies to the former spouse’s children with the Service member.

6. **Insurable Interest:**
   If a Service member is unmarried, they may cover another family member or a business associate. Covered family members must be more closely related than a cousin. Parents, stepparents, siblings, aunts, uncles and grandparents all qualify. An individual child or stepchild can be covered regardless of dependency status. Business associates can also be protected if they would suffer financially due to the death of the retiree.
Eligibility

Under specific circumstances, Service members may retire from service prior to reaching 20 or more years of service. This is different than separating from service. When medically retiring, Service members fall under two categories:

Temporary Disability Retired List (TDRL)
- The Service member is retired for 3 or 5 years (dependent on date of TDRL placement), at which point their disability will be re-evaluated. Outcomes include being found fit for duty or being moved to the PDRL roster.
- Service members on TDRL are eligible for SBP as long as they remain on TDRL. If they return to regular service, they also return to active-duty coverage. If they move to PDRL, their SBP coverage follows them, but at a new base amount to match their new retired pay.

Permanent Disability Retired List (PDRL)
- The Service member is permanently retired, and there is no re-evaluation after 5 years. Medical retiree retirement pay is calculated as multiplier x pay base.
- The PDRL multiplier is either 2.5% x years of service or 2.5% x disability percentage rating, whichever is higher, with a maximum multiplier of 75%.
- The TDRL formula is the same, but it has a minimum multiplier of 50%.

Retired pay as a medical retiree can vary in amounts and calculation, and therefore further creates unique SBP situations. Those who are being medically retired should consult with an Installation Family Support Center Personal Financial Manager to discuss their SBP options.

Service members being retired with a service connected VA disability need to consider the following in their SBP decision:
- SBP and Dependency and Indemnity Compensation (DIC)
- Special Survivor Indemnity Allowance (SSIA)
- SBP coverage for survivors, if VA determines death is not service connected and DIC is not payable
- Withdrawal from SBP based on a VA Total Disability Rating
- SBP premiums start from effective date of the retirement, even if retroactive retirement date
- What happens to family if SBP is not elected and the VA does not consider the death to be service connected.
1. SBP Election must be made prior to retirement.

2. All Service members retiring based on an active-duty law and Reserve Components who elected RCSBP Option A must complete the SBP section of the DD Form 2656 or Coast Guard Form 4700, even if they have no eligible beneficiaries.

3. What happens if the election is NOT made before retirement? Federal law directs DFAS or PPC to default the election to full spouse coverage. If that happens, the election can be changed only if the Service member proves that the government erred in the election process.

4. Married Service members electing anything less than the maximum spouse SBP coverage allowable under the law requires spouse’s agreement.

5. Generally irrevocable but may be canceled with spouse agreement, between the 25th and 36th month following retirement. Premiums paid prior to revocation are non-refundable.

6. SBP is paid up after making 360 payments and reaching at least age 70.

7. Changes in dependents after making SBP election but before retirement may require new election.

8. If SBP beneficiaries change (birth, death, divorce, marriage) between election and date of retirement, a new DD Form 2656 or Coast Guard Form 4700 with SBP election required.

Check one only. See Instructions and Section X.

☐ a. I elect coverage for spouse only: I have dependent child(ren) ☐ Yes ☐ No

☐ b. I elect coverage for spouse and child(ren)

☐ c. I elect coverage for child(ren) only: I have a spouse ☐ Yes ☐ No

☐ d. I elect coverage for the person named who has an insurable interest in me

☐ e. I elect coverage for my former spouse (DoD only: Complete DD 2656-1, “Survivor Benefit Plan (SBP) Election Statement for Former Spouse Coverage”)

☐ f. I elect coverage for my former spouse and dependent child(ren) of that marriage

☐ g. I elect not to participate in SBP: ☐ Yes ☐ No

Note: If a Service member has an eligible spouse under the plan, spouse concurrence is required for any election that does not provide coverage of the full base amount for the eligible spouse.
The Survivor Benefit Plan cost depends on the level of coverage you choose. SBP coverage has no cost while you are in active service. During your retirement, however, a monthly deduction is taken from your pay for your SBP coverage.

Coverage based on full gross pay:
If you elect coverage based on full gross pay, the cost of SBP will be based on your full gross retiree pay. For example, if you receive $1,000 of retired pay each month, and elect coverage based on full gross pay, your monthly cost for Spouse-Only election under the plan will be $65 each month.

Coverage with a reduced base amount:
You can elect coverage with a reduced base amount, you can select a lower level of SBP coverage than your full gross pay. The Service member can choose any amount from $300 to their full gross pay. For example, if you receive $1,000 of retired pay each month, you can elect to have your coverage based only on $700 of your pay. In this case, your monthly cost for Spouse-Only election under the plan will be $45.50 each month.

Spouse or former spouse:
The cost is 6.5% of the base amount. For example, with a base amount of $3,000 per month, the cost for spouse coverage is $195.

Spouse (or former spouse) and child(ren):
The spouse portion of this election costs 6.5% of the base amount. The child cost portion is based on the ages of the retiree, the spouse and the youngest child. This cost is reasonable, given typical ages.

Child(ren) Only:
The cost is based on the ages of the retiree and youngest child. Children are primary beneficiaries in this option. Eligible children equally divide the 55% benefit. Premiums continue until the youngest child is no longer eligible for benefits.

Insurable interest:
The base amount must be full gross pay in this option. Costs are 10% of retired pay, plus 5% for each full five years younger the beneficiary is than the retiree, not to exceed 40% of retired pay. This option may be canceled at any time. Should you gain a spouse or child in the future, the insurable interest coverage may be changed to spouse or child or both within one year of the change.

Spouse-Only Election Cost Example:

| Retired Pay: $3,000 | Full Base Amount Chosen: $3,000 | Premium: $3,000 x 6.5% = $195.00 | Spouse Benefit: $3,000 x 55% = $1,650.00 |
Do You Need SBP?

- Are personal assets sufficient
- Do you have debt?
- Are you the primary/only earner?
- Should life insurance be an alternative or supplement?
  - Do you have health issues that could cause you to have higher life insurance premiums or to be denied coverage?
  - SBP cannot be denied

**SBP**
- Cannot be outlived
- Includes an inflation fighter
- Is taxed (for beneficiary)

**Insurance**
- Proceeds can be outlived
- Insurance doesn’t include inflation fighter
- Not taxed

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<th>Length of Premiums Paid</th>
<th>Years for Annuity to Exceed Premiums Paid</th>
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<td>1 Year, 10 Months</td>
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<tr>
<td>30 Years</td>
<td>2 Year, 5 Months</td>
</tr>
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</table>
SBP Advantages and Disadvantages

Advantages:

• The impact of a government subsidy speaks volumes. Only a nonprofit like the U.S. government can offer this feature.
• SBP costs are paid with pretax dollars. If you choose, you can even use the tax savings to make other investments.
• Unlike insurance values, which are eroded by inflation, SBP’s value increases at the same rate as retired pay.
• If you balk at the finality of “SBP elections are forever,” the termination feature permits you to rethink your participation after you have settled into retirement for two years. And do not forget SBP’s “paid-up” provision.
• The annuity is a guaranteed income to your beneficiary and paid for however long it is needed.
• SBP offers a level benefit of 55% without regard to the age of the spouse or former spouse.
• Health, smoking, gender, and lifestyle factors are not considered when determining monthly SBP costs.
• DFAS/PPC deducts the premium before paying you. Such automatic deductions result in coverage that cannot lapse because of a missed payment.
• There are no extra fees, agent commissions or risks to the retiree.
• Retirees cannot be denied coverage.
• Only Congress can change SBP’s features. They make changes on matters affecting survivors very cautiously.

Disadvantages:

• All income is eventually taxed at the front end or back end.
• SBP’s goal is to protect military retired pay...period. If it is protection of a spouse’s life you seek, you might want to buy a life insurance policy. In fact, you can use the monthly tax savings SBP provides to fund that policy.
• Choosing to receive reduced retired pay during your lifetime is the only way to continue a portion of it after you die.
• The 6.5% spouse cost does not increase. However, with each retired pay COLA received, your cost becomes 6.5% of a new, higher amount. (Note: COLA also produces a higher annuity.)
• SBP is not intended to be an “inheritance” vehicle and does not have insurance-like features.
• Cannot cancel SBP after the one-time cancellation period.
1. SBP Spouse-Only premium costs are what percentage of the base amount?
   A. 3.5%
   B. 6.5%
   C. 9.5%
   D. 12.5%
   E. Unknown

2. Who is covered under SBP? (circle all that apply)
   A. All active-duty Service members
   B. All military retirees
   C. All active-duty Service member spouses
   D. All military retirees that elect to enroll in SBP prior to retirement
   E. Unknown

3. SBP premiums are paid with pretax dollars.
   A. True
   B. False
   C. Unknown

4. If the retiring Service member elects not to participate in SBP or elects coverage with a reduced base amount do they need their spouse’s concurrence?
   A. Yes
   B. No
   C. Maybe
   D. Unknown

5. A retiree no longer has to pay SBP premiums when they have met the following criteria:
   A. Member has paid SBP premiums for 30 years
   B. Member has paid SBP premiums for at least 30 years and has reached age 70
   C. Member has reached age 70
   D. Member has to pay SBP premiums for life not matter when they pass away
   E. Unknown

6. If a Service member elects to have SBP prior to retirement and later decides they no longer desire to be enrolled in the program, when can they terminate the policy? (circle all that apply)
   A. Prior to midnight on their official retirement date
   B. Any time during the first year of making premium payments
   C. Any time between the 25th and 36th month of SBP participation
   D. They may never terminate SBP once you have elected to participate in the program
   E. Unknown

7. Does the beneficiary have to report the annuit income that they receive on their tax return?
   A. Yes
   B. No
   C. It depends
   D. Unknown

8. If the active-duty member has no qualified beneficiaries prior to their retirement date can they later choose to opt into SBP in the event that they get married or have children?
   A. Yes
   B. No
   C. Unknown

9. If a retiree elects to terminate SBP during their allowed termination timeline all previous SBP payments will be refunded.
   A. True
   B. False
   C. Unknown

10. If the retiree elects coverage based on full gross pay what percentage of the retiree’s pension will the beneficiary receive for a annuity?
    A. 100%
    B. 75%
    C. 55%
    D. Unknown
CFS 15
Developing Your Program
Student Manual
I. INTRODUCTION

Congratulations on your participation in CFS Training. You have had the opportunity to learn things that not only will help you but also ensure that you leave the class energized and prepared to use this information to help Service members. As part of your CFS duties, you may be charged with running a command program, provide leadership and indoctrination briefs, and effectively utilize the services of the Installation Family Support Center. This chapter will help you to do all these things by reviewing the purpose of the course and the role of the CFS upon return to the command. The discussion includes how to run a command program; how to use the sample leadership and indoctrination briefs you have been provided; the Installation Family Support Center’s role in the CFS program; a course review activity; and the availability of continuing education. The topic concludes with a panel discussion with experienced Command Financial Specialists.

Chapter Correlation to Common CFS Task Areas:

1. **Education and Training:** The chapter presents two model briefs: one to market the program to command leadership and one that can be used in command indoctrinations. Training techniques include active lecture, optional panel discussion and homework review (Plan of Action and Milestones).

2. **Information and Referral:** Referral resources are reviewed via capstone learning activity.

3. **Counseling/Coaching:** Techniques are reviewed via capstone learning activity.

II. LEARNING OBJECTIVES

Learners will demonstrate their understanding of how to begin running their program by completing a Plan of Action and Milestones.

Learners will identify the need and requirements for a CFS Program.
III. REFERENCES

NAVETRA 14300A

NAVAL LEADERSHIP AND ETHICS CENTER Facilitation Skills Handbook OCT 2017

OPNAVINST 1740.5D

MCO 1700.37

DoDI 1342.22-D

COMDTINST 1740.8 (series)

IV. CONTENT
## Developing a CFS Program

### CFS Tasks by Military Branch:

<table>
<thead>
<tr>
<th>Task</th>
<th>NAVY</th>
<th>MARINE CORPS</th>
<th>ARMY</th>
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<tr>
<td>Basic Budgeting</td>
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<tr>
<td>Consumer Advocacy</td>
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**NOTE:** At the time of this publication, the U.S. Army does not have an Army Regulation for the Command Financial Specialist program.
USN Program Recordkeeping
The CFS Program is generally considered to be part of the administrative function of the command. Therefore, it can be subject to review in various kinds of inspections. CFSs are encouraged to review the OPNAVINST 1740.5D and be prepared for an inspection at any time.

Records created as a result of the OPNAVINST 1740.5D, regardless of media and format, must be managed per Secretary of the Navy (SECNAV) Manual 5210.1 of January 2012.

The exact manner of records and documentation management is not proscribed by instruction, but here is an outline of a possible system:

- Filing cabinet (double lock and key) – either physical or electronic – accessible by all CFSs at command:
  - OPNAVINST 1740.5D and SECNAVINST 1740.2E
  - Command’s instruction regarding Personal Financial Management, as applicable
  - List of command CFSs (with appointment letters and course completion certificates) beginning with Command Special Assistant for Personal Finance (CSAPF) and information regarding crew count and CFS ratio
  - Copies of indoctrination schedules showing CFS on agenda
  - Copies of PODs/POWs listing CSAPF on masthead
  - Copies of PFM Training rosters
  - Copies of pre- and post-deployment program agendas listing the CFS as one of the presenters, as applicable
  - Sample check-in and check-out sheets listing the CFS as one of the checkpoints
  - Quarterly reports (individuals and command summary reports) (at least three years of history)
  - Client files (maintained in a manner that ensures confidentiality and compliance with applicable Privacy Act regulations)

USMC Program Recordkeeping
CFSs in the U.S. Marine Corps should discuss program recordkeeping requirements with unit leaders and ensure that they follow important regulations for maintaining Personally Identifiable Information (PII) and personal financial information for both hard copy files and digital files. Ensure you follow all applicable laws.

USA Program Recordkeeping
Members of the U.S. Army that have attended the CFS course should discuss program recordkeeping requirements with unit leaders and ensure that they follow important regulations for maintaining Personally Identifiable Information (PII) and personal financial information for both hard copy files and digital files. Ensure you follow all applicable laws.

USCG Program Recordkeeping
CFSs in the U.S. Coast Guard shall prevent the creation and/or maintenance of files, records, notes, or recordings that contain personal financial information of assisted individuals.
Steps to Developing a Program

1. Contact other CFSs at the command and review command policies. If you are the only CFS, you may have to create/rebuild a program.

2. Conduct a needs assessment to determine what services the command would like from you. A sample needs assessment is included in this chapter as well as a less-involved assessment called “How May We Help You?” that focuses more on the training you can conduct using the PFM Standardized Curriculum. Either of these would provide you with an idea of what command personnel would like.

3. Establish, refine and accomplish program goals using the Plan of Action and Milestones (POA&M).

Notes
Checklist for Command Financial Specialists

☐ Complete CFS Training
☐ Meet with other members of command’s CFS team
☐ Draft command PFM instruction (if necessary)
☐ Gather command data (needs assessment)
☐ Refine Plan of Action and Milestones
☐ Develop marketing plan for command PFM program
☐ Familiarize self with available resources, command’s PFM library
☐ Brief command leadership
☐ Establish recordkeeping and reporting system (per branch of service requirements)
☐ Input data as required by branch of service and command
☐ Attend CFS forums/advanced training
☐ Get on Installation Family Support Center’s mailing list, advertise PFM programs
☐ Get on command check-in sheet
☐ Conduct command INDOCS (PFM)
☐ Provide appropriate PFM information and referral to command personnel
☐ Conduct PFM training as indicated by needs assessments and in accordance with branch of service requirements
☐ Conduct PFM counseling/coaching/budgeting as requested in accordance with branch of service requirements
This command is in the process of developing a Financial Education program for all personnel. This survey is to determine the types of services you would like to have provided at this command to facilitate managing your personal financial affairs.

Education – Please rank the following subjects from 1 to 12 with 1 being the area you are most interested in having training provided.

- ___ Establishing a Spending Plan/Budget
- ___ Credit Management
- ___ Savings and Investments
- ___ Thrift Savings Plan
- ___ Military Retirement Plans (Legacy & BRS)
- ___ Banking Issues
- ___ Car Buying
- ___ Insurance
- ___ Survivor Benefits and Life Insurance
- ___ Pay Issues
- ___ Consumer Frauds, Misrepresentations and Scams
- ___ Money Management for Deployment

Information – Would you find it helpful to have the following provided?

Yes  No

- ___  ___ Regular plan-of-the-day/week notes with tips on personal financial management
- ___  ___ Information rack with personal financial management brochures and booklets
- ___  ___ Personal financial management bulletin board
- ___  ___ Financial management articles in the command’s and spouse club’s newsletters

Consultation – Would you find it useful to have the following available?

Yes  No

- ___  ___ Financial counseling service provided by a Command Financial Specialist (if permitted by branch of service)
- ___  ___ A Command Financial Specialist to consult with prior to making major purchases or financial decisions
- ___  ___ A Command Financial Specialist to consult with for completing Touchpoints

Please list other services that you would find useful in managing your personal finances and any comments.

___________________________________________________________________________
___________________________________________________________________________
___________________________________________________________________________

Please return this complete form to: ____________________________________________

(Name and email)

Thank you!
(Signature)
How May We Help You?

Interested in attending a personal financial management seminar? Place a checkmark next to the topics you find most desirable:

- Banking and Financial Services
- Car-Buying Strategies
- Consumer Awareness
- Credit Management
- Developing Your Spending Plan
- Family Financial Planning
- Financial Planning for Deployment
- Financial Planning Following Deployment
- Gambling Awareness
- Home Buying
- How to Survive the Holidays Financially
- Marriage and Money
- Military Pay Issues
- Money and the Move
- Paying for College
- Paying off Your Student Loans
- Planning for Your Retirement
- Raising Financially Fit Kids
- Renting
- Saving and Investing
- Smart Transition Planning
- Survivor Benefit Plan
- The Thrift Savings Plan
- Your Insurance Needs
- Vacation Planning

Other topics you would like:

_____________________________________________________________________________________
_____________________________________________________________________________________
_____________________________________________________________________________________
_____________________________________________________________________________________

Comments:

_____________________________________________________________________________________
_____________________________________________________________________________________
_____________________________________________________________________________________
_____________________________________________________________________________________

Please return this complete form to: ____________________________

(Name and email)

Thank you!

(Signature)
## Plan of Action and Milestones

Command: _____________________________
From: _________________________________
To: ___________________________________
Period Covered: _________________________

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<th>Barriers/Strategies for Overcoming</th>
<th>Resource Needs</th>
<th>Estimated Completion</th>
<th>Actual Completion</th>
<th>Remarks/Indicators</th>
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Developing Your Program
How to Market Your CFS Program

Write down five ideas for marketing your CFS Program

1. ____________________________________________________________________________________

2. ____________________________________________________________________________________

3. ____________________________________________________________________________________

4. ____________________________________________________________________________________

5. ____________________________________________________________________________________
Command Leadership and Indoctrination Briefs

There are two briefs provided for you to present concisely about the PFM program and your role as a Command Financial Specialist. These briefs and their instructor guides will be located in Appendix I. They are also on the PFMSC DVD and the DoD website.

The Command Leadership Brief is for presenting to the commissioned and enlisted leadership at your command. The brief should be short and concise. Be prepared to explain your plan of action, both immediate and long term, and ask for the support to run an effective and proactive command PFM program. You should include an overview of how the PFM program promotes the Touchpoint program.

The Command Indoctrination (INDOC) Brief is designed to tell new command members clearly and concisely about the Command PFM Program. Speaking at indoctrination allows you to introduce yourself and inform new command personnel about personal financial management issues at your duty station. You will discuss the PFM program, the role of the CFS, and how the CFS can help command members. You can provide an overview of PFM topics to generate interest. Additionally you should provide an overview of the Touchpoint program, specifically the brief can be used to meet requirements of the Arrival at First Duty Station and Arrival at Subsequent Duty Station (O-3 & Below: E-4 & Below) Touchpoints. Additional Touchpoint information can be provided as applicable.
Brief the Bosses

Work with your group to identify five key talking points you would discuss if you had 5 minutes to brief your leadership on the need for a CFS to have a strong PFM program at the command.

1. ____________________________________________________________________________________

__________________________________________________________________________________

2. ____________________________________________________________________________________

__________________________________________________________________________________

3. ____________________________________________________________________________________

__________________________________________________________________________________

4. ____________________________________________________________________________________

__________________________________________________________________________________

5. ____________________________________________________________________________________

__________________________________________________________________________________
PFM Standardized Curriculum

The PFM Standardized Curriculum is located on the PFMSC DVD and on the DoD website. Training materials for all topics include the Instructor Guide with Handouts and the Training PowerPoint. Game PowerPoints are also included for several of the topics.

- Banking and Financial Services
- Car-Buying Strategies
- Consumer Awareness
- Credit Management
- Developing Your Spending Plan
- Family Financial Planning
- Financial Planning for Deployment
- Financial Planning Following Deployment
- Gambling Awareness
- Home Buying
- How to Survive the Holidays Financially
- Marriage and Money
- Military Pay Issues
- Money and the Move
- Paying for College
- Paying off Your Student Loans
- Planning for Your Retirement
- Raising Financially Fit Kids
- Renting
- Savings and Investing
- Smart Transition Planning
- Survivor Benefit Plan
- The Thrift Savings Plan
- Your Insurance Needs
- Vacation Planning

Touchpoint Curriculum

The Touchpoint Curriculum is located on the Touchpoint DVD and on the DoD website. Touchpoint Curriculum includes Checklists, Handouts, Video Courses, Video Discussion Guides, and How-to Guides.

- First Duty Station
- Permanent Change of Station (PCS)
- Pre-Deployment
- Post-Deployment
- Vesting in the TSP
- Entitlement to Continuation Pay (CP)
- Promotion
- Leadership Training
- Marriage
- Welcoming Your First Child
- Preparing for Divorce
- Disabling Sickness or Condition

CFSs may only use their branch of service’s approved PFM Standardized Curriculum and Touchpoint Curriculum. CFSs are not authorized to use any other material.
Installation Family Support Center

Your local Personal Financial Manager or Personal Financial Counselor is available for:
• Case consults for new CFSs, difficult cases, or both.
• Coaching for new CFSs as needed.
• Referrals and resources.
• Training – follow-on training for the CFS and general PFM training to meet command needs.

Installation Family Support Centers:

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<th>USN</th>
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<th>USA</th>
<th>USCG</th>
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<td>Fleet and Family Support Center (FFSC)</td>
<td>Marine-Corps Community Services (MCCS) Marine &amp; Family Programs</td>
<td>Army Community Service (ACS)</td>
<td>Office of Work-Life</td>
<td>Airman and Family Readiness Center (A&amp;FRC)</td>
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Approved Financial Resources

Each branch of service maintains their own guidelines regarding approved financial resources that may be used for on installation financial education and training. Do not deviate from these guidelines. These guidelines are discussed in detail in Appendix J.

CFS Ratios and Qualifications

For the Navy, Marine Corps, and Coast Guard, all active-duty and reserve commands, permanent detachments, and departments having at least 25 personnel assigned must have one (1) trained Command Financial Specialist to coordinate the Personal Financial Management program and to assist the Commanding Officer (CO) or Officer in Charge (OIC) in providing financial training, information and referral, and counseling/coaching to command members.

Commands must maintain a ratio of one (1) CFS to every 75 members assigned (including active duty and select reserve).

When recruiting new CFSs at your command, ensure that you review your Service-Specific PFM Program policy in Appendix A to ensure that the member meets minimum requirements for becoming a CFS.

The Installation Family Support Center provides support to all elements of the Personal Financial Management program, and in particular, assistance to the Command Financial Specialist by providing additional continuing-education opportunities, information updates, backup in-depth personalized counseling, and assistance with financial training at their level.
Maintaining Your CFS Qualification

Maintaining records of attendance/course completions of the below guidelines along with your CFS course completion certificate is just as important as attending this CFS Initial Training Course. Depending on your service, you might have to provide proof that you have maintained and are proficient in your CFS-related duties.

Service Specific: Read over your specific service requirements on the next few pages.

Command Reports: Maintaining Command Reports (if required) is important to demonstrate program proficiency and execution.

CFS Quarterly Forums: Installation Family Support Centers host quarterly area-wide CFS Awareness Forums. Attending these forums will provide you with updated material and guidelines for your program. You may also network with fellow CFSs. Remember that you will not know the answer to every question, but your network of fellow CFSs will provide the support needed. If not stationed near an Installation Family Support Center, most centers provide teleconferences and webinars quarterly that meet this requirement as well.

Advance Training

• College Credit: DSST exams are college subject tests that you can take to earn college credit for knowledge you acquired outside of a traditional classroom. There are 38 subject exams, including Personal Finance. The exams are funded by DANTES. Interested learners should contact the Education Services Department for your branch of service and visit the DANTES website at https://www.dantes.doded.mil/. Follow these links to the Personal Finance DSST exam information: Education Programs, Get College Credit for What You Know, College Credit by Examination (CLEP & DSST), DSST, Exam Subjects, Business, Personal Finance.

• Accredited Financial Counselor®: The Accredited Financial Counselor® (AFC®) certification can be obtained through the Association for Financial Counseling & Planning Education® (AFCPE®). Visit https://www.afcpe.org/certification-and-training/accredited-financial-counselor/ to learn about the four stages to complete to obtain your AFC® certification.

• Certified Financial Planner®: The Certified Financial Planner® (CFP®) certification can be obtained through the Certified Financial Planner Board of Standards, Inc. Visit https://www.cfp.net/ to learn about the four requirements to obtaining your CFP® certification.

• Webinars and Teleconferences. Local Installation Family Support Centers routinely email out webinar and teleconference opportunities. These can include local training opportunities to training from service-specific headquarters. It is recommended that you request addition to your Installation Family Support Center’s email distribution listing.

CFS Refresher Course

Depending on your service, attending a CFS Refresher course at an Installation Family Support Center every three years is required to maintain your qualification. If you’re unable to attend the required Refresher course, you will have to repeat the multi-day CFS Initial Training Course. Read over your specific-service requirements on the next few pages for the CFS Refresher course prerequisite requirements.
Maintaining Your CFS Qualification in the USN

To maintain your CFS Qualification, you must successfully complete the CFS Refresher Training every three years at minimum.

To be eligible to take the one-day CFS Refresher Training Course instead of the multi-day CFS Initial Training Course to maintain certification every three years, a CFS must:

1. Have any mix of the following (minimum of four per quarter): one-on-one financial counseling appointments and/or PFM training or briefs for the command, division, department, or branch;
2. And attend at least two quarterly area-wide CFS Awareness Forums per year. For each forum that will be missed (two required per year), Sailors could take one of the following:
   a. A PFM webinar offered through CNIC;
   b. A free webinar through Military Families Learning Network (https://militaryfamilieslearningnetwork.org/) that have already been preapproved for Accredited Financial Counselor (AFC) Continuing Education Credits (CEU)s through https://www.afcpe.org/, and/or;
   c. A PFM class at their FFSC.

The CFS requesting to recertify with the one-day CFS Refresher Training Course must have a current CFS certification that has yet to expire. They will need to provide documentation to the Fleet and Family Support Center (FFSC) Personal Financial Management (PFM) staff showing that they have met the minimum activity requirements to take the one-day CFS Refresher Training Course (through their quarterly reports), and that they have completed the pre-work for the one-day Refresher Training Course available from the FFSC.

If they have not met the minimum activity requirements, their certification has already expired, or if they would prefer the full review, the CFS can attend the multi-day CFS Initial Training Course to recertify.

The USN CFS Quarterly Activity Report can be used to document your activity.

Maintaining Your CFS Qualification in the USMC

Appointment as a CFS remains in effect until rescinded in writing or three years after CFS Course completion. Refresher training must be completed and documented to extend CFS appointment more than three years beyond CFS Course completion. USMC CFSs shall participate in continuing education, including, but not limited to, periodic CFS forums and the CFS refresher training at least every three years. CFSs shall notify the PFM of any change in status or duty location to ensure local requirements of the Marine Corps Order 1700.37 are maintained.
Maintaining Your CFS Qualification in the USA
At the time of this publication, the U.S. Army does not have a requirement for maintaining your CFS certification.

Maintaining Your CFS Qualification in the USCG
To maintain your CFS Qualification, you must successfully complete the CFS Refresher Training every three years at minimum.

To be eligible to take the one-day CFS Refresher Training Course instead of the multi-day CFS Initial Training Course to maintain certification every three years, a CFS must:

1. Have any mix of the following (minimum of four per quarter): one-on-one financial counseling/coaching/basic budgeting appointments and/or PFM training or briefs for the command, division, department, or branch;
2. As resources permit, attend at least two quarterly area-wide CFS Awareness Forums per year. For each forum that will be missed (two required per year), Coast Guard CFSs could take one of the following:
   a. Military Families Learning Network courses (https://militaryfamilieslearningnetwork.org/) already preapproved for Accredited Financial Counselor (AFC) Continuing Education Credits (CEUs) through https://www.afcpe.org/;
   b. FFSC or Work-Life Regional Practice PFM Classes;
   c. USCG CG SUPRT Financial Webinars, and/or;
   d. CNIC PFM Webinars on the LMS.

A certificate of completion would be required for the above or an email from the PFM teaching would suffice for confirming attendance for local virtual, in person, or telephone courses.

The CFS requesting to recertify with the one-day CFS Refresher Training course must have a current CFS certification that has yet to expire. They will need to provide documentation to the Office of Work-Life PFM staff showing that they have met the minimum activity requirements to take the one-day CFS Refresher Training Course (through their reporting), and that they have completed the pre-work for the one-day Refresher Training Course available from the Personal Financial Manager.

If they have not met the minimum activity requirements, their certification has already expired, or if they would prefer the full review, the CFS can attend the multi-day CFS Initial Training Course to recertify.

The USCG Quarterly Activity Report can be used to document your activity. If using another method to document activity, ensure that the method does not collect personal financial information or Personally Identifiable Information (PII) of assisted individuals.
# USN Command Financial Specialist Quarterly Activity Report

## Training/Briefs:

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## Number of Training Participants:

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## Number of One-On-One Counseling Sessions Conducted:

| E-1 | E-2 | E-3 | E-4 | E-5 | E-6 | E-7 | E-8 | E-9 | O-1 | O-2 | O-3 | O-4 | O-5 | O-6 | O-7 | O-8 | O-9 | W-1 | W-2 | W-3 | W-4 | W-5 | Family | Members |
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## Number of Referrals Made:

- FFSC
- NMCRS
- TRICARE
- Legal
- Management
- Housing
- Debt
- Other

## Areas of Assistance Provided:

- Military Pay and Allowances
- Checking/ATM
- Consumer Issues
- Budgets/Money Mgmt.
- Saving and Investing
- TSP/BRS
- Military Retirement Planning
- Car Buying/Selling
- Credit/Debt
- Notices of Indebtedness
- Insurance
- Predatory Lending
- Letter of Intent
- Bankruptcy
- Money and the Move
- Pre-Deployment Finances
- Gambling
- Overseas Screening
- Other

CFS Name: _______________________________ Quarter: ___________ Calendar Year: ___________
Command: _______________________________ Installation: ____________________________
CFS Signature: ____________________________ Date Signed: _____________________
## USCG Command Financial Specialist
### Quarterly Activity Report

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- Overseas Screening
- Other

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CFS Name: ___________________________ Quarter: ___________ Calendar Year: ___
Command: ___________________________ Installation: ____________________________
CFS Signature: _____________________ Date Signed: ____________________
Create four questions to ask the CFS Panel about best practices when managing a CFS Program:

1. ____________________________________________________________________________________
   ____________________________________________________________________________________

2. ____________________________________________________________________________________
   ____________________________________________________________________________________

3. ____________________________________________________________________________________
   ____________________________________________________________________________________

4. ____________________________________________________________________________________
   ____________________________________________________________________________________
OPNAV INSTRUCTION 1740.5D

From: Chief of Naval Operations

Subj: UNITED STATES NAVY PERSONAL FINANCIAL MANAGEMENT PROGRAM

Ref: (a) DoD Instruction 1342.22 of 3 July 2012
(b) NAVPERS 15560D
(c) OPNAVINST 1500.22H
(d) DoD Instruction 1344.07 of 30 March 2006
(e) SECNAVINST 1740.2E
(f) DoD 7000.14-R, DoD Financial Management Regulations
(g) SECNAVINST 1754.1B
(h) SECNAVINST 5211.5E
(i) OPNAVINST 1750.1G
(j) SECNAVINST 1740.4
(k) OPNAVINST 1740.4E
(l) SECNAVINST 5040.3A

Encl: (1) Terms and Definitions
(2) Core Personal Financial Management Training Subjects
(3) Initial and Lifecycle Training Continuum
(4) DoD Financial Education Partner List
(5) Fleet and Family Support Center and Regional Personal Financial Management Program Responsibilities
(6) Command Financial Specialist Qualifications, Functions, and Training Sites
(7) Sample Command Financial Specialist Letter of Designation
(8) Sample Command Special Assistant for Personal Finances Letter of Designation

1. Purpose. To publish United States Navy policy and assign responsibilities for the implementation of the personal financial management program as a core service of the Navy family readiness system. This revision incorporates language recommended by the Government Accounting Office on gambling disorder. This is a complete revision and should be reviewed in its entirety.

2. Cancellation. OPNAVINST 1740.5C.

3. Applicability and Scope. Provisions of this instruction apply to all Navy Active Component (AC) and Reserve Component (RC) commands and personnel, permanent detachments, and departments. Navy civilian employees serving at duty stations outside the continental United

4. 

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[Continue with the document content]
States (OCONUS) are also included under some provisions of this instruction. AC and RC personnel of other Department of Defense (DoD) components and United States Coast Guard are included when assigned to Navy commands.

4. Definitions. Terms used in this instruction are defined in enclosure (1).

5. Background

   a. This instruction policy implements specific requirements that establish a systemic approach to address personal financial management issues for Sailors, families, and the Navy.

   b. Reference (a) establishes personal financial management policy for all DoD components. The Navy hereby provides amplification of that policy.

   c. Management of personal finances presents an increasing challenge to Sailors and their families. For some, the lack of basic consumer skills and training in how to prudently manage finances sets the stage for financial difficulty. Other contributing factors that magnify the impact on the military lifestyle are listed in subparagraphs 5c(1) through 5c(6).

      (1) High cost of living in some areas in the United States and overseas.

      (2) Prevalence of easy credit and predatory lenders.

      (3) High-pressure sales tactics.

      (4) Clever and deceptive advertising techniques that include Internet ads.

      (5) Undisciplined buying and the tendency to live beyond one’s means.

      (6) Consumer rip-off schemes.

   d. In many cases, resultant financial problems have a serious negative impact on Sailors and their families, as well as a debilitating effect on operational readiness, morale, and retention.

6. Policy

   a. The Navy family readiness system must support commanders in maintaining unit financial readiness, sustaining mission readiness, and promoting personal readiness and retention through the personal financial management program.

   b. References (a) through (l) mandate specific programs, services, actions, or requirements that are relevant to the personal financial management program.
c. As detailed in references (a) and (b), Sailors and the Navy have a joint responsibility to address personal financial obligations. Members have an obligation to meet the financial needs of their families and discharge their just financial debts in a timely manner. Commanding officers (CO) have a responsibility to encourage financial responsibility and sound financial planning.

d. The personal financial management program consists of four major elements as directed in subparagraphs 6d(1) through 6d(4).

(1) Financial Education and Training

(a) Core personal financial management training subjects, listed in enclosure (2), must be delivered in a continuum of learning beginning with recruit training and continuing throughout a Sailor’s career and transition to civilian life. Specific guidance is provided in reference (a), enclosure 3, subparagraph 3d(2)(c)1, and is further detailed in enclosure (3) of this instruction.

(b) All commands and permanent detachments may conduct annual personal financial management training as part of the general military training (GMT) program in line with reference (c).

(c) Financial education conducted by non-government entities must comply with references (a), (d), (e), and (f), volume 5, chapter 34.

(2) Financial Counseling

(a) One-on-one assistance in the evaluation of individual or family income and expenditures, and recommendations for short- and long-term actions to achieve financial goals and contribute to individual and operational readiness will be provided.

(b) The effects of financial decisions on personal and professional lives, resources needed to make prudent consumer decisions, and related services and support must be addressed.

(c) Prior to deployment, Sailors should be encouraged to establish an extended absence financial plan. Support will be offered in the development of such plans.

(3) Consumer Advocacy and Complaint Resolution and Report Assistance. Assistance must be provided in coordination with appropriate authorities both in-Service and with DoD partners (Government and community based) listed in enclosure (4).

(4) Financial information and referrals. This service must be performed in line with references (a), (d), and (e).
e. Personal financial management services, at a minimum, must address:

   (1) money management, which includes information on topics such as savings and banking, budgeting, credit management, debt management, and making prudent consumer purchases;

   (2) financial management planning, which includes basic information on topics such as investing, taxes, insurance, education, wills and trusts, transition, and retirement, and information on how to evaluate and select assistance with in-depth financial planning needs; and

   (3) legal affairs information and referral on topics such as estate planning, power of attorney, predatory lending, and compliance with Title 50, U.S. Code, sections 3901 through 4043 (Service members Civil Relief Act).

f. Outreach to spouses, youth, and children (or service providers serving these groups) should encourage family member participation in personal financial management services.

g. Where applicable, personal financial management services must incorporate the DoD financial readiness pillars to help Service members reach their financial goals and achieve financial freedom.

   (1) Manage money.

   (2) Save first and then invest.

   (3) Consumer protection.

   (4) Evaluate plans often.

h. Provision of personal financial management services must maximize existing DoD assets, including command-based financial readiness service providers and other DoD-sponsored financial readiness assets approved by the installation commander.

   (1) When banks and credit unions operating on Navy installations and other non-governmental organizations are used to provide financial education, they must comply with the conditions set forth in references (d) through (f), volume 5, chapter 34.

   (2) When services from a non-governmental organization are utilized, DoD service providers must monitor them throughout the duration of instruction.

i. At a minimum, one staff member within the installation-based fleet and family support center (FFSC) must be designated as a financial educator and counselor and trained to organize
and execute financial management services for the military community. Service providers hired, contracted, or serving part-time as the primary expert on personal finances for the installation or region must meet the requirements of subparagraph 2h of enclosure (5).

j. Command financial specialist policy is outlined in subparagraphs 6j(1) through 6j(4).

(1) At the individual command level, the four elements of the personal financial management program are under the control of a qualified command financial specialist. General duties and responsibilities of the command financial specialist are detailed in subparagraph 7k and also outlined in enclosure (6).

(2) AC and RC commands, permanent detachments, and departments having at least 25 personnel assigned must have a trained command financial specialist to coordinate the program and to assist the CO or officer in charge (OIC) in providing financial training, information, and counseling to command members. Commands must maintain a ratio of 1 command financial specialist to every 75 members assigned, including those assigned temporary duty, temporary duty under instruction, and members from other Services.

(3) Commands, permanent detachments, and departments having fewer than 25 personnel, are encouraged to have a trained command financial specialist. Alternatively, those with fewer than 25 personnel may arrange for another command to provide command financial specialist services by written agreement.

(4) Personnel assigned as a command financial specialist must meet the qualification criteria established in paragraph 1 of enclosure (6).

k. Relevant personal financial management information must be issued or published regularly in Navy internal and social media. The financial world and consumer markets are very dynamic; therefore, it is incumbent upon commands, command financial specialist, and FFSC personal financial management staff to raise awareness of personal financial management concerns and assistance available to Sailors and their families.

l. A qualified command financial specialist or FFSC financial educator and counselor must counsel Navy personnel, family members, and other DoD personnel experiencing financial difficulties or seeking information on personal financial management concerns. If the command financial specialist or financial educator and counselor cannot provide assistance, referrals must be made to other authorized agencies (e.g., Navy-Marine Corps Relief Society (NMCRS); Navy legal service office; National Foundation of Credit Counseling affiliated, non-profit Consumer Credit Counseling Services (CCCS); Navy Mutual Aid Association; or other resources detailed in enclosure (4)). Navy Mutual Aid Association must be a primary referral and educational resource where survivor benefit plans are concerned.
7. **Responsibilities**

   a. **Chief of Navy Information (CHINFO).** In coordination with Commander, Navy Installations Command (CNIC) personal financial management program manager, review and provide personal financial management information for frequent inclusion in Navy internal and social media.

   b. **Deputy Chief of Naval Operations (Manpower, Personnel, Training and Education) (CNO (N1))**

      (1) Office of the Chief of Naval Operations (OPNAV) 21st Century Sailor Office (N17), as program sponsor, must establish Navy personal financial management program policy.

      (2) Total Sailor Fitness Branch (OPNAV (N170)) must:

         (a) maintain policy and monitor program performance;

         (b) provide policy interpretation;

         (c) serve as Navy’s liaison with Assistant Secretary of the Navy (Manpower and Reserve Affairs), DoD, and other cognizant agencies on Navy personal financial management policy matters; and

         (d) establish all personal financial management training requirements.

   c. **CNIC (as program manager)**

      (1) Implement and coordinate the Navy personal financial management program.

      (2) Coordinate and manage implementation of the personal financial management training program as determined by OPNAV (N170), which includes coordinating, developing, and managing training programs, curricula, and materials along with Navy Education and Training Command (NETC), and Naval Service Training Command (NSTC).

      (3) Provide subject matter expertise to NETC and NSTC for the development, validation, and piloting of NETC-provided training and education, to include the development of learning objectives and scenarios for instruction.

      (4) Maintain program, program elements, and materials, to ensure effectiveness and currency through periodic review and update.

      (5) Utilize necessary military and authorized civilian resources within the parameters established in subparagraph 6h in support of the program. Where practical, partner with United
States Marine Corps personal financial management program manager in sharing program materials, curricula, and other resources to maximize efficiency and effectiveness of the Navy personal financial management program.

(6) Provide guidance to all activities regarding implementation of program policy and plans.

(7) Provide guidance and resources necessary for FFSCs to provide support to all elements of the personal financial management program as described in references (a), (d), (e), and (g). FFSC responsibilities are delineated in enclosure (5).

(8) Ensure resources are provided to meet the certification requirements for financial educator and counselors per reference (a) by arranging or providing information to the financial educator and counselors regarding various training opportunities, which provide continuing educational units.

(9) In coordination with CHINFO, review and provide personal financial management information for frequent inclusion in Navy internal and social media.

(10) Provide command financial specialist training.

(a) Coordinate and manage command financial specialist training throughout Navy to meet fleet needs, including the provision of command financial specialist professional development, and train-the-trainer courses.

(b) Provide the command financial specialist training course with sufficient frequency and resources to accommodate Navy training needs.

d. NETC

(1) Designate a personal financial management program point of contact to liaise with OPNAV (N170) staff and CNIC Family Readiness (N91) personal financial management program manager.

(2) Provide and document personal financial management program training for all enlisted Sailors following recruit training.

(3) Provide and document personal financial management program training for all officers, as noted in enclosure (3), following accessions training.

(4) Include and maintain the command financial specialist training course in the Corporate Enterprise Training Activity Resource System (CeTARS).
(5) In concert with CNIC personal financial management program manager, develop curricula, materials, assessment instruments, and other procedures and systems necessary to implement the requirements of reference (a), enclosure 3, subparagraph 3d(2)(c)1, incorporating, at a minimum, the core subjects listed in enclosure (2) of this instruction.

(6) Ensure personal financial management training (as required by enclosure (3)) that would occur in NETC school houses is conducted.

e.  Superintendent, U.S. Naval Academy (USNA)

(1) Provide personal financial management program training as detailed in enclosure (3) to all USNA midshipmen using personal financial management standardized curriculum.

(2) Designate one staff member to serve as a financial advisor and educator for the midshipmen. This individual should be an officer or civilian equivalent trained as a command financial specialist.

f.  Echelon 2 Commands and Area Coordinators

(1) Ensure effective program implementation.

(2) Include the personal financial management program in immediate superior in command (ISIC) inspections to ensure program policy compliance. Baseline inspection items are provided in paragraph 8.

(3) Assess requirements for command financial specialist training in area of responsibility.

(4) Coordinate with CNIC personal financial management program manager to ensure that the command financial specialist course is provided with sufficient frequency and resources to meet fleet training and policy requirements.

(5) Echelon 2 and area coordinators with command financial specialist course training sites, listed in enclosure (6), must provide the CNIC personal financial management program manager a consolidated schedule of course training dates, quota availability, and other information in the manner required for inclusion in CeTARS and catalog of naval training courses by NETC.

g.  Echelon 2 Commands and Regional Coordinators

(1) Ensure effective program implementation at commands under their cognizance.
(2) Establish priorities for quota control for command financial specialist training courses under their cognizance.

(a) Quota preference is to be given to commands that do not have a trained command financial specialist.

(b) Quota allocations must address local, out-of-area or isolated, remote, and RC commands.

(c) Course schedules and locations must be readily accessible to fleet units on demand.

h. Installation COs and OICs with an FFSC

(1) In line with references (a), (d), and (e), act as the final approving official, with concurrence from the local FFSC personal financial management staff and the staff judge advocate (SJA), for all persons and entities not referenced in enclosure (4).

(2) Provide resources for the FFSC to maintain a library or resource center of current financial information and resources (including current periodicals) to assist Service members and their families in successful personal financial readiness.

(3) Ensure computer and Internet resources are available.

(4) Provide support to host and tenant command financial specialists, especially to afloat, deployable, or Marine expeditionary unit commands.

(5) Ensure that, at a minimum, the FFSC staff includes one member who is assigned, trained, and certified per reference (a), enclosure 3, subparagraph 3d(6), and guidance provided in enclosure (5) of this instruction.

(6) Ensure records are maintained utilizing the Fleet and Family Support Management Information System (FFSMIS), or other system designated by CNIC, of personal financial management education, training, and counseling conducted.

(7) Ensure FFSC personal financial managers and financial educator and counselors maintain personal financial management counseling records to ensure confidentiality, including compliance with applicable Privacy Act provisions, in line with reference (h).

i. Commanders, COs, and OICs

(1) Encourage the use of personal financial management services by Sailors and their families.
(2) Oversee the command personal financial management program for compliance with this instruction and associated references to ensure Sailors and their families are provided the tools and resources to be financially prepared.

(3) Establish and maintain a command financial specialist program within the command. Detailed requirements are provided in enclosure (6).

(a) Designate a command financial specialist(s) in writing. Enclosure (6) provides qualifications criteria, functions, and training requirements for command financial specialists. Enclosure (7) is a sample designation letter.

(b) When more than one command financial specialist is assigned, designate one as the lead command financial specialist or as a command special assistant for personal finances. Enclosure (8) is a sample designation letter.

(c) Meet with the lead command financial specialist or command special assistant for personal finances on a recurring, but not less than a yearly basis, to discuss personal financial management issues and trends.

(d) Ensure command financial specialist or command special assistant for personal finances identification and contact information appears on the masthead of the command plan of the week or plan of the day (POD).

(e) Ensure command financial specialist is included in command indoctrination program(s) and pre- and post-deployment programs, as applicable.

(f) Ensure consultation with the command financial specialist appears on the command check-in and check-out sheets.

(4) Ensure when personnel are the subject of a bad check report or letter of indebtedness, a determination is made as to whether or not financial mismanagement by the individual is involved. In cases of financial mismanagement, individuals should receive mandatory personal financial management counseling from the command financial specialist, or local area personal financial manager, or local area financial educator and counselor.

(5) Obtain a review and recommendation from the servicing FFSC’s financial educator and counselor, an opinion from the local representative of the SJA, and approval from the installation CO per references (d) and (e) prior to granting authorization for any personal financial management presentation on base offered by a commercial or other entity not specifically authorized under reference (e). Per reference (a), when services from non-governmental organizations are utilized, DoD service providers must monitor them throughout the duration of instruction given.
(6) Permit and encourage command career counselors, command ombudsman (serving as directed by reference (i)), and local NMCRS counselor(s) to attend command financial specialist training to raise their awareness of the financial issues and resources available to Sailors and their families. This does not suggest that the command career counselor, ombudsman, nor NMCRS counselor must serve as financial counselors or command financial specialists.

(7) Promote maximum utilization of a proactive lifecycle approach to personal financial management among members of the command by encouraging attendance at a Career Options and Navy Skills Evaluation Program workshop.


k. Command Financial Specialist

(1) Report directly to the command leadership (CO or executive officer) as a special assistant.

(2) Perform the command financial specialist functions listed in enclosure (6).

l. Sailors

(1) Become familiar with personal financial management program policies and objectives.

(2) Use prudent personal financial management practices in pursuit of personal excellence.

(3) Support shipmates by sharing their personal financial management knowledge.

(4) Prudently maintain their day-to-day personal financial matters.

(5) Prepare for the management of personal responsibilities prior to departing on an extended absence.

8. Command Inspection Program. The ISIC must inspect the command’s personal financial management program. The minimum requirements specified in subparagraphs 8a through 8i must be reviewed.

a. Command financial specialist identified in writing in line with subparagraph 7i(3)(a), using enclosure (7).

b. Command financial specialist received appropriate training, in line with enclosure (6).
c. Appropriate ratio of command financial specialist to crew, in line with subparagraph 6j.

d. When more than one command financial specialist is assigned, one command financial specialist has been designated as the lead command financial specialist or command special assistant for personal finances in line with subparagraph 7i(3)(b), using enclosure (8).

e. COs meet with the command financial specialist or command special assistant for personal finances at least yearly to discuss personal financial management issues at their command in line with subparagraph 7i(3)(c).

f. The command financial specialist or command special assistant for personal finances identification and contact information appears on the masthead of the command plan of the week or POD, in line with subparagraph 7i(3)(d).

g. Command financial specialist is included in command indoctrination program(s), and pre- and post-deployment programs, as applicable, in line with subparagraph 7i(3)(e).

h. Consultation with the command financial specialist appears on the command check-in and check-out sheets, in line with subparagraph 7i(3)(f).

i. In line with references (g) and (h), personal financial management counseling records are maintained to ensure confidentiality and compliance with applicable Privacy Act regulations.

9. Gambling Disorder. Gambling disorder has been identified by the medical community as an addiction similar to drug or alcohol use. Gambling disorder can also develop in conjunction with other addictions. Treating a person with gambling disorder may eliminate financial or legal issues that, combined with other addictions, could spiral out of control. Given the importance and concern with maintaining individual readiness among Service members, individuals with a suspected gambling disorder must be referred to a military treatment facility for evaluation.

10. Records Management. Records created as a result of this instruction, regardless of media and format, must be managed per Secretary of the Navy (SECNAV) Manual 5210.1 of January 2012.

11. Review and Effective Date. Per OPNAVINST 5215.17A, Navy 21st Century Sailor Office, Family Readiness Section (OPNAV N170C ) will review this instruction annually on the anniversary of its issuance date to ensure applicability, currency, and consistency with Federal, DoD, SECNAV, and Navy policy and statutory authority using OPNAV 5215/40 Review of Instruction. This instruction will be in effect for 5 years, unless revised or cancelled in the interim, and will be reissued by the 5-year anniversary date if it is still required, unless it meets one of the exceptions in OPNAVINST 5215.17A, paragraph 9. Otherwise, if the instruction is no longer required, it will be processed for cancellation as soon as the need for cancellation is known following the guidance in OPNAV Manual 5215.1 of May 2016.
12. Forms and Information Management Control


   b. FFSCs will use data collected by CNIC approved FFSMIS for production of required DoD, SECNAV, CNIC, and regional reports.

Releasability and distribution:
This instruction is cleared for public release and is available electronically only via Department of the Navy Issuances Web site, http://doni.documentservices.dla.mil
TERMS AND DEFINITIONS

1. **DoD Personnel.** AC, National Guard, and RC members of the sea Services; family members; and civilian employees, including non-appropriated fund employees and special Government employees of all offices, agencies, and departments carrying out a function on a Defense installation.

2. **Extended Absence Financial Plan.** A plan developed by a Service member prior to deployment, specifying for the period of the absence: legal power of attorney to accomplish personal and financial requirements; plan for covering financial obligations; disposition of car and auto insurance; allotments for appropriate monthly expenditures; and disposition of other financial issues that might occur during the period of absence.

3. **Family Readiness System.** The network of agencies, programs, services, and individuals, and the collaboration among them, which promotes the readiness and quality of life of Service members and their families.

4. **Military Community.** Service members, military families, military leadership, and military and civilian family readiness service providers.

5. **Personal Financial Management.** The process (or steps) involved in managing one’s personal finances, including income, expenses, and investments for an individual or family.

6. **Personal Financial Readiness.** Adequately preparing for the management of personal responsibilities prior to departure on an extended absence, including: family matters and potential family contingencies, personal finances, personal property, and other personal obligations that can and do arise during one’s career lifecycle. Also includes prudent day-to-day management of personal finances, including financial planning (budgeting), saving and investing (including Thrift Savings Plan and Savings Deposit Program), consumer awareness, and credit management. Considerations include career and transition planning, spouse employment, and relocation entitlements and expenses.

7. **Service Members.** AC, National Guard, and RC members of the Military Services, whether permanently assigned, temporary duty, or temporary duty under instruction.
CORE PERSONAL FINANCIAL MANAGEMENT TRAINING SUBJECTS

1. Military pay issues
2. Banking and financial services
3. Developing a spending plan
4. Credit management
5. Car buying strategies
6. Introduction to saving and investing
7. Consumer awareness (includes predatory lending)
8. Insurance and risk management
9. Legal issues
10. Home purchase or housing
11. Financial planning for deployment
12. Money and the move
13. Savings and investments and Thrift Savings Plan
14. The basics of retirement planning
15. Paying for college
16. Renting
17. Gambling awareness
18. How to survive the holidays financially
19. Vacation planning
20. Marriage planning
21. Survivor benefit planning

22. Raising financially fit kids

Note: Additional core educational programs can be added as necessary by OPNAV (N170) or the CNIC (N9) personal financial management program manager to keep the curriculum current.
## INITIAL AND LIFECYCLE TRAINING CONTINUUM

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>TYPE TRAINING</th>
<th>TRAINING SOURCE/VENUE</th>
<th>LEARNING ENVIRONMENT</th>
<th>FINANCIAL LITERACY EDUCATION SUBJETS</th>
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<tbody>
<tr>
<td>Officer</td>
<td>Personal and leadership</td>
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<td>Instructor led</td>
<td>Pre-commissioning financial literacy education to be determined by the curriculum control authority incorporating the training subjects in enclosure (2) as mandated by the requirements sponsor.</td>
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<tr>
<td></td>
<td>Personal</td>
<td>Transition assistance, pre-separation briefing, and counseling</td>
<td>Instructor led</td>
<td>Financial education for transitioners. Incorporate appropriate training as determined by Navy personal financial management program requirements sponsor and the CNIC program manager.</td>
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<tr>
<td>Leadership</td>
<td>Officer leadership courses</td>
<td></td>
<td>Instructor led</td>
<td>Leading a command personal financial management program as determined by the Navy personal financial management program requirements sponsor and the CNIC personal financial management program manager.</td>
</tr>
<tr>
<td>Enlisted</td>
<td>Personal</td>
<td>Delayed entry program</td>
<td>Blended*</td>
<td>Leave and earnings statement; financial planning.</td>
</tr>
<tr>
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<td>Personal</td>
<td>Recruit Training Command (8.5 hours)</td>
<td>Instructor led</td>
<td>Leave and earnings statement; banking basics; direct deposit; Thrift Savings Plan; MyPay.</td>
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<tr>
<td></td>
<td>Personal</td>
<td>Transition assistance, pre-separation briefing, and counseling</td>
<td>Instructor led</td>
<td>Financial education for transitioners. Incorporate appropriate training as determined by the Navy personal financial manager program requirements sponsor and the CNIC program manager.</td>
</tr>
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<td>CATEGORY</td>
<td>TYPE TRAINING</td>
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<tr>
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<td>Prospective petty officer leadership course</td>
<td>Instructor led</td>
<td>Incorporate relevant and career level appropriate financial literacy education related scenarios drawn from the subjects in enclosure (2).</td>
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<td>Leading petty officer leadership course</td>
<td>Instructor led</td>
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<td></td>
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<td>Leadership</td>
<td>Prospective chief petty officer leadership course</td>
<td>Instructor led</td>
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<td>Instructor led</td>
<td>Incorporate relevant and career level appropriate financial literacy education related scenarios drawn from the subjects in enclosure (2).</td>
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<td>TYPE TRAINING</td>
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<tr>
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<td>Instructor led</td>
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<td>Various</td>
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<td>Per Navy’s career options and Navy skills evaluation program curriculum.</td>
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<td>Per Navy’s career options and Navy skills evaluation program curriculum.</td>
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<td>My Navy Portal</td>
<td>Web</td>
<td>Various</td>
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</tbody>
</table>

*Blended learning environment may be any combination of instructor led classes or self-paced learning accomplished via distance learning or computer-based training that includes appropriate assessments of learning where applicable.*
DOD FINANCIAL EDUCATION PARTNER LIST

1. Air Force Aid Society
2. American Red Cross
3. Army Emergency Relief Society
4. Association of Military Banks of America
5. Better Business Bureau
6. CCCS
7. Consumer Federation of America
8. Consumer Finance Protection Bureau
9. Defense Credit Union Council
10. Department of Labor
11. Department of the Treasury
12. Employee Benefits Research Institute
13. American Savings Education Council
14. Federal Citizen Information Center
15. Federal Deposit Insurance Corporation
16. Federal Reserve Board
17. Federal Trade Commission
18. Financial Industry Regulatory Authority
19. Freddie Mac
20. In-Charge Institute of America
21. Internal Revenue Service

22. Jumpstart Coalition

23. National Association of Securities Dealers Investor Education Foundation


25. National Foundation for Credit Counseling


27. NMCRS


29. North American Securities Administrators Association

30. Securities and Exchange Commission

31. Small Business Administration

32. Social Security Administration

33. TRICARE

34. United Services Automobile Association (USAA) Education Foundation

35. U.S. Department of Agriculture, Cooperative State Research Education and Extension Service
FLEET AND FAMILY SUPPORT CENTER AND REGIONAL PERSONAL FINANCIAL MANAGEMENT PROGRAM RESPONSIBILITIES

1. **Mission.** The Navy personal financial management program exists to provide financial education, counseling, information, and referral to Navy personnel and commands in order to increase personal, family, and operational readiness. Although the personal financial management program has a counseling mission, its primary focus is on prevention of financial difficulties and mismanagement through education of Sailors and their eligible dependents. FFSCs provide support to all elements of the personal financial management program.

2. **FFSC Responsibilities**

   a. Support local commands and area command financial specialists by serving as the primary resource and subject matter expert in tailoring personal financial management information, materials, and education programs to the local area.

   b. Provide financial education and training, information, and referral assistance to military personnel and their family members.

   c. Provide financial counseling to Sailors and other DoD personnel, as defined in reference (g), paragraph 5, when assigned aboard a Navy installation.

   d. Establish programs to encourage spouses to participate in the personal financial management program.

   e. Maintain records (utilizing FFSMIS or other system designated by CNIC) of personal financial management education, training, and counseling and ensure privacy and confidentiality of all records and information regarding personal financial management counseling conducted, in line with references (g) and (h).

   f. Maintain ongoing liaison with financial institutions located on base to encourage military and family member awareness and use of its personal financial management counseling and information services as detailed in reference (f), volume 5, chapter 34.

   g. Foster and establish working relationships with the local representatives of the DoD partners listed in enclosure (4).

   h. Ensure individuals are assigned to provide personal financial management services listed in subparagraphs 2h(1) through 2h(6) at FFSCs.

      (1) Obtain Accredited Financial Counselor (AFC) certification within 2 years of their assignment.
(2) Attend command financial specialist train-the-trainer at either of the two CNIC-designated trainings sites: FFSC San Diego, CA, or FFSC Norfolk, VA; or receive equivalent training through a CNIC approved entity.

(3) Successfully complete command financial specialist class via a CNIC approved FFSC regional training site listed in paragraph 4 of enclosure (6).

(4) Possess a baccalaureate degree from an accredited college or a combination of education and experience, which equips individuals to serve as a financial educator and counselor.

(5) Receive continuing education on personal financial management on an annual basis and maintain professional AFC certification, once acquired.

(6) Read and understand references indicated within this instruction.

i. Hold an area-wide personal financial management awareness forum or meeting at least quarterly, in line with reference (j), to discuss personal financial management issues. At a minimum, the personnel listed in this subparagraph must be invited: senior enlisted advisors, command financial specialists, and command career counselors or career planners. Meeting reports (minutes) must be provided to the cognizant CO.

j. Conduct, at least semi-annually, in line with reference (j), an informational seminar for area command leaders that provides an introduction and overview of personal financial management program services, assistance, and initiatives.

k. Report to the CNIC personal financial management program manager on a quarterly basis via the regional work and family life coordinator. Reporting criteria and format must contain, at a minimum, the type and number of personal financial management related classes, workshops, and seminars held; number of participants in each; command financial specialist training sessions and student loads; number of personnel receiving individualized counseling or assistance; and reason(s) individual counseled.

l. Function with NMCRS as agreed in memorandum of agreement between NMCRS and Department of the Navy of 5 February 2001 (NOTAL).

m. Assist Service members with the development of the financial portions of the family care plan described in reference (k).

n. Ensure only command financial specialist and personal financial management course materials approved by CNIC personal financial management program manager and NETC referred to in this instruction are used in all training and counseling activities.
o. Provide command financial specialist training.

(1) Make the command financial specialist training course available with sufficient periodicity and locations to meet demands and optimally offer 25 to 30 student quotas per class. Command financial specialist training locations must serve as quota control for command financial specialist training.

(2) Use CNIC standardized command financial specialist instructor guide and command financial specialist training manual.

(3) When training command financial specialists by any method, at a minimum, provide two on-site individuals (one instructor must be from the FFSC personal financial management staff and others may be a command financial specialist or other qualified Navy civilian employee or contractor) capable and trained as instructors of the command financial specialist course. An additional person capable of acting as an alternate instructor should also be available.

(4) Ensure data from command financial specialist training is entered into the CeTARS.

(5) Maintain records (for at least 2 years) of name, rate or rank, member’s assigned command, and unit identification code of all trainees who successfully complete the command financial specialist course.

(6) Provide documentation (course completion certificate) to the trainee’s command.

(7) Submit annually, by 30 June, a schedule of command financial specialist classes for the upcoming fiscal year to the CNIC personal financial management program manager and NETC via the echelon 2 commander or area coordinator.
COMMAND FINANCIAL SPECIALIST
QUALIFICATIONS, FUNCTIONS, AND TRAINING SITES

1. Qualifications of the Command Financial Specialist. The command financial specialist must function as the command’s principal advisor on policies and matters related to personal financial management. The qualifications listed in subparagraphs 1a through 1f apply.

   a. **Pay Grade**

      (1) Be in pay grade E-6 and above (including officers). An E-5 with a minimum of 6 years of service may be appointed as a command financial specialist. Medium and large commands are strongly encouraged to have an officer(s) serve as the command financial specialist to lead their program.

      (2) Utilization of E-4s due to the lack of requisite senior petty officers is not authorized. Waivers will not be granted.

      (3) Commands wishing to appoint an E-5 with less than 6 years of service must submit a waiver request and receive approval. This waiver request must be routed from the CO to the CNIC personal financial management program manager, via the regional personal financial management coordinator, for final approval. Waiver requests must contain, at a minimum, the information contained in subparagraphs 1a(3)(a) and 1a(3)(b).

         (a) Command paygrade demographics (e.g., indicating the absence of senior personnel meeting established criteria).

         (b) Certification of the designated Service member’ qualifications.

   b. **Motivation.** Highly motivated and financially stable (must meet the financial overseas screening standards found in subparagraph 2i). For assistance with the command financial specialist screening process, COs may refer to the FFSC financial educator and counselor staff for guidance. Screening must be completed prior to training.

   c. **Training.** Successfully complete the authorized command financial specialist training course provided by an FFSC.

   d. **Service Time.** Have at least 1 year remaining in the command at time of command financial specialist course completion.

   e. **Continuing Education.** Participate in continuing education (i.e., periodic command financial specialist forums).
f. **Refresher Training.** Successfully complete command financial specialist refresher training every 3 years, at a minimum.

2. **Functions of the Command Financial Specialist.** At the completion of formal training, the command financial specialist must be able to perform the functions in subparagraphs 2a through 2m.

   a. Assist the command in establishing, organizing, and administering the command personal financial management program.

   b. Disseminate financial management information within the command through GMTs, POD or plan of the week notes, newsletters, e-mails, and social media, etc.

   c. Maintain current personal financial management resource books, directories, references, and training materials for use in GMT, divisional training, and counseling. In addition, command financial specialists must maintain close liaison with the FFSC personal financial management staff, where possible.

   d. Present personal financial management training as part of the command GMT program, per reference (c), and provide divisional, departmental, and branch personal financial management training as required, per enclosure (3).

   e. Provide basic personal financial management education, counseling, financial information, and referral to individual members of the command, upon request. When appropriate, refer to servicing FFSC financial educator and counselor.

   f. Maintain individual records of counseling conducted and counseling referrals. In line with reference (h), those records must be maintained to ensure confidentiality and compliance with the Privacy Act.

   g. Refer members with serious financial problems to the appropriate resource or agency capable of providing necessary assistance and counseling, such as FFSC personal financial management staff, NMCRRS, non-profit CCCS, and Defense Federal credit unions and banks located on military installations in line with references (a), (b), (e), and (f), volume 5, chapter 34. Ensure the individual is seen and counseled. Follow-up on referrals by maintaining contact with the individual and the resource and counseling agency to monitor progress.

   h. Assist members with the development of their extended absence financial plan in line with reference (a).
i. Perform financial screenings, as needed, for members of the command. In the absence of a command financial specialist, or in a complicated case, the FFSC personal financial management staff can perform the screenings. For overseas duty screening, the guidance in subparagraphs 2i(1) through 2i(3) applies.

(1) In line with reference (b), section 1300-302, members must be screened for financial stability.

(a) E-1 to E-4. A debt-to-income ratio must be performed to ensure the economy in the host nation of proposed overseas activity does not pose an undue hardship on the Service member’s financial circumstances. If the debt-to-income ratio is 30 percent or greater, then the member is unsuitable for overseas assignment. If the spouse will be accompanying the Service member, the spouse’s current income cannot be used in determining future debt-to-income unless the spouse can provide proof of employment in the overseas location.

(b) E-5 and Above. Serious financial problems or indebtedness which have not been reconciled (i.e., bankruptcy, outstanding or unresolved letters of indebtedness, or outstanding returned checks for insufficient funds) or a documented history of indebtedness over a period of the last 3 years, may be considered disqualifying.

(c) Documentation. Such screening must be documented by a NAVPERS 1070/613 Administrative Remarks, entry in the member’s service record.

(2) The command financial specialist must ensure the member completes a financial planning worksheet. The financial planning worksheet is available via the CNIC personal finances Web page at: https://www.cnic.navy.mil/ffr/family_readiness/fleet_and_family_support_program/personal_finances.html.

(3) The command financial specialist must counsel the member on the projected living expenses at the overseas location and on the need for the member to fully understand his or her expenses, entitlements, and pay and allowance changes related to the OCONUS permanent change of station move.

j. Submit a quarterly report to the unit CO on all personal financial management activities and command financial issues and trends.

k. Schedule meetings with command leadership required by subparagraph 7i(3)(c) of this instruction to ensure that personal financial management issues and trends are communicated.

l. Ensure documentation of command financial specialist provided training or any other personal financial management course completed.
m. Upon transfer:

   (1) provide a thorough pass down to command financial specialist relief; and

   (2) notify receiving command of command financial specialist qualification.

3. **Command Financial Specialist E-4 Program.** Sailors in pay grade E-4 may become assistants to the command financial specialist and be trained to assist FFSC personal financial management counselors with outreach and training. The command financial specialist E-4 should augment financially oriented classes for junior Sailors (E-1 to E-4) to share real-life, real-time experiences. They must be supervised by a command financial specialist and may NOT be appointed or serve as command financial specialist. Criteria for selection is outlined in subparagraphs 3a through 3i.

   a. Be a volunteer.

   b. Be command endorsed.

   c. Have no record of non-judicial punishment or poor performance counseling.

   d. Pass physical fitness assessment.

   e. Have successful interview by FFSC personal financial management counselor.

   f. Be goal-oriented and motivated with excellent oral and presentation skills.

   g. Have a record of financial stability as indicated by completion of a financial planning worksheet, with a debt-to-income ratio that does not exceed 30 percent, and no record of letter of indebtedness or non-sufficient funds.

   h. Be ranked a top performer by command on standard Navy evaluation form (4.0 or above in all categories).

   i. Complete training as directed using curriculum provided by CNIC personal financial management program manager.

4. **CNIC Designated Regional Locations with Command Financial Specialist Training Sites**


   b. Navy Region Mid-Atlantic.
c. Navy Region Southeast.
d. Navy Region Northwest.
e. Navy Region Southwest.
f. Navy Region Guam.
g. Navy Region Hawaii.
h. Navy Region Japan.
From: Commanding Officer/Officer in Charge  
To: Rate/Rank, Name  

Subj: DESIGNATION AS COMMAND FINANCIAL SPECIALIST  

Ref: (a) OPNAVINST 1740.5D  

1. Per reference (a), you are hereby designated as (command name) command financial specialist. You must familiarize yourself with the policies and procedures of reference (a) and other applicable personal financial management program elements in the performance of your duties.  

2. In your capacity as command financial specialist, you will report directly to the commanding officer or officer in charge or his or her representative (e.g., command special assistant for personal finances). Complete the information requested below and forward as indicated. This designation remains in effect until rescinded in writing or 3 years after command financial specialist course completion (unless refresher training is completed and documented), whichever occurs first.  

Signature  

Name/Rate:  
Date of designation:  
Date completed command financial specialist course:  
Global e-mail address:  
DSN phone number:  
Location of servicing fleet and family support center (FFSC):  

I accept the designation of (command name) command financial specialist.  

______________________________  
Member Signature  

Copy to:  
Servicing FFSC  
Service Record
From: Commanding Officer/Officer in Charge
To: Rate/Rank, Name

Subj: DESIGNATION AS COMMAND SPECIAL ASSISTANT FOR PERSONAL FINANCES

Ref: (a) OPNAVINST 1740.5D

1. Per reference (a), you are designated as (command name) command special assistant for personal finances. You must familiarize yourself with the policies and procedures of reference (a) and other applicable personal financial management program elements in the performance of your duties.

2. In your capacity as command special assistant for personal finances, you will report directly to the commanding officer or officer in charge or his or her representative. Complete the information requested below and forward as indicated. This designation remains in effect until rescinded in writing.

Signature

Name/Rate:
Date of designation:
Date completed command financial specialist course:
Global e-mail address:
DSN phone number:
Location of servicing fleet and family support center (FFSC):

I accept the designation of (command name) command special assistant for personal finances.

Member Signature

Copy to:
Servicing FFSC
Service Record
MARINE CORPS ORDER 1700.37

From: Commandant of the Marine Corps
To: Distribution List

Subj: PERSONAL FINANCIAL MANAGEMENT PROGRAM (PFMP)

(b) DoD Instruction 1344.09, “Indebtedness of Military Personnel,” December 8, 2008
(c) SECNAVINST 1740.4
(d) SECNAVINST 1754.1B
(e) SECNAVINST 5211.5E
(f) DoD Instruction 6490.06, “Counseling Services for DoD Military, Guard and Reserve, Certain Affiliated Personnel, and Their Family Members,” April 21, 2009, as amended
(g) MARADMIN 061/13, “Personal Financial Management Education Provided by Non-Federal Entities,” 4 February 2013
(h) MCO P1700.27B W/CH1
(j) MCO 5760.4C
(k) SECNAVINST 1740.2E
(l) MCO P1326.6D
(m) MCO P1300.8R
(n) MCO 1740.13C
(o) DoD Instruction 1332.36, “Preseparation Counseling for Military Personnel,” February 14, 1994, as amended
(p) MCO 1900.16
(q) SECNAVINST M-5210.1
(r) 5 U.S.C. 552, Privacy Act of 1974, as amended

Encl: (1) Terms and Definitions
(2) Command Financial Specialist (CFS) Qualifications, Functions and Training
(3) Corporal for Financial Fitness (CFF) Qualifications, Functions and Training
(4) Installation/Supporting Facility Personal Financial Management Program Responsibilities, Staffing, Training and Education Standards
(5) Personal and Professional Development Advisor Letter of Designation as Command Financial Specialist
(6) Sample Command Financial Specialist Letter of Designation
(7) Sample Command Financial Specialist Assistant for Personal Finance Letter of Designation
(8) Sample Corporal for Financial Fitness (CFF) Program Letter of Designation
1. **Situation.** To publish policies and procedures for the operation of Marine Corps PFMP. To improve mission readiness and support Marines’ personal financial stability. The PFMP provides required and optional training throughout a Marine’s career to enhance personal and career mission readiness.

2. **Mission.** PFMP will provide financial counseling, education, training, and information and referral to Marines and their families in order to increase their financial readiness.

3. **Execution**
   
   a. **Commander’s Intent and Concept of Operations**
      
      (1) **Commander’s Intent**
         
         (a) This Order complies with and conforms to the regulatory requirements stated in references (a) through (r).
         
         (b) PFMP will assist Marines in achieving and sustaining personal financial readiness. The PFMP supports this objective by providing training, education, counseling/coaching, and financial information and referral to Marines and their families to assist them in meeting their financial obligations in a proper and timely manner during a Marine’s career and while preparing for transition.
         
         (c) Commanders shall ensure the program and its policies stated in this Order are supported.
         
         (d) Execution of PFMP training and education is part of the Personal and Professional Development Branch (P&PD) which assists the unit commander with creating, establishing, maintaining, and reinforcing financial readiness.
         
         (e) In accordance with reference (a) the PFMP will implement a Continuum of Learning for Personal Finance. Areas of instruction include, but are not limited to: money management, financial planning, transition/retirement and estate planning, military protections such as Service Members Civil Relief Act and Military Lending Act, security clearances and the financial relationship, and other financial management tools. Limited basic estate and tax education and counseling may be provided with referrals to authorized financial resources for detailed assistance.
         
         (f) Ensure Marines and their families have access to financial tools and a solid understanding of personal finance to build confidence in facing financial challenges and responsibilities.
         
         (g) Ensure all Marines are trained on the policies and practices designed to protect military members.
      
      (2) **Concept of Operations**
         
         (a) PFMP’s primary focus is a proactive preventive approach to financial education, training, coaching, and financial information and referral to commands, Marines and their families. The PFMP’s secondary focus is intervention with counseling/coaching.
(b) Per references (a), (b), and (c), Marines and the Marine Corps have a mutual responsibility to address personal financial obligations and accountability. Marines have an obligation to discharge their financial obligations in a timely and proper manner and meet the financial needs of their families.

(c) Preventive services include:

1. **Financial Education and Training.** Financial education is the act of educating a Marine on the financial principles and methods that enables a Marine to acquire a set of knowledge, skills and behaviors that allow them to take effective actions regarding current and future use and management of their personal finances. The mandatory financial education, referred to as the Continuum of Learning for Personal Finance, as required by reference (a) and optional workshops and training through the PFMP will increase the financial literacy of Marines and their family members.

2. **Financial Coaching.** Financial coaching continually develops knowledge, skills and behaviors to accomplish personal financial goals.

(d) Intervention services include:

1. **Financial Counseling.** Financial counseling is a review of the current financial situation followed by developed knowledge, skills, and behaviors to support financial management crisis intervention, and a process of creating a plan of action to accomplish personal financial goals. This type of intervention includes command referrals for financial concerns.

2. **Financial Information and Referral.** Provides current personal financial information and resources to clients or appropriate client referral to Authorized Financial Resources.

(e) The PFMP supports readiness, retention, and transition through collaboration with other programs in Marine and Family Programs, Marine Corps Community Service (MCCS), and other Marine Corps units and programs.

(f) The PFMP staff may support requests for age-appropriate classes or seminars to youth and teens as part of their school-age or youth education classes or activities at MCCS on-installation/support facility Youth or Child Development facilities.

(g) Information regarding individuals seeking services must be treated with confidentiality. Ensure careful and sensitive handling of personal information per references (e) and (r). PFMs shall not establish or maintain individual client files in the course of providing PFMP services. PFMs may utilize personal notes, as defined in ref (e), to facilitate follow up requirements. Basic to the provision of services, the PFMP is committed to keeping confidential all information disclosed by clients per reference (d), (e), and (f).
(h) PFMP staff and the CFSs are the primary sources for providing information, referrals, materials, training, and education programs pertaining to personal finance.

(i) PFMP staff, CFSs, Personnel Security Managers, and Staff Judge Advocates (SJAs) are encouraged to coordinate on briefs and issues regarding potential legal concerns such as predatory lending, debt collection/relief, protection acts, congressional efforts, security clearances, and other areas as appropriate.

(j) Marines and families who are receiving support from an MCCS program and whose situation suggests that they would benefit from financial education should receive appropriate referrals for additional counseling/education through the PFMP staff/unit CFS.

(k) Marines and family members not assigned onboard or within a reasonable commuting distance of a Marine Corps installation:

1. May receive assistance through their unit CFS as described in the body of this Order.

2. Are encouraged to obtain financial education (online, classroom-based, or via telephone) by using existing Marine Corps or Authorized Financial Resources as defined in Enclosure (1) and per reference (g).

3. May seek financial education, training, counseling and information and referral through other Service’s PFMP.

4. May, if eligible, request financial training/counseling from resources provided in reference (f).

b. Subordinate Element Missions

(1) Deputy Commandant, Manpower and Reserve Affairs. Establish and maintain a PFMP consistent with the policy and guidance contained in this Order and reference (a).

(2) Chaplain of the Marine Corps (REL)

(a) Advise Deputy Commandant, Manpower and Reserve Affairs (DC, M&RA) on religious ministry matters relevant to both financial education and the free exercise of religion.

(b) Coordinate with the Director of Marine and Family Programs Division (MF) regarding authorized financial education programs offered as a component of religious education.

(3) Director, Marine and Family Programs Division, M&RA

(a) Manage and support the PFMP consistent with policy and program guidance in this Order.
(b) Provide policy oversight and guidance, and develop and propose recommended changes.

(c) Ensure that the PFMP staff within the Personal and Professional Development Branch of MF:

1. Coordinate, as appropriate, PFMP issues with Headquarters, U.S. Marine Corps (HQMC) staff agencies, major commands, DoD agencies, and sister service headquarters.

2. Develop plans, policy, and procedural guidance for the standard operation of the PFMP.

3. Develop and maintain standard PFMP curricula.

4. Provide oversight of prescribed PFM certification and required annual financial education in accordance with reference (a). In conjunction with the installations, determine service required annual financial education for the PFMP staff.

5. Coordinate with MCCS Directors to monitor execution of personnel, budget, and training and program initiatives relative to the PFMP.

6. Develop reporting requirements, program evaluation tools, and measures of effectiveness to ensure effective program implementation to meet a Marine’s financial readiness.

(d) Develop the Continuum of Learning for Personal Finance which identifies the series of financial courses that educate Marines on financial topics at certain touch points of a Marine’s career.

(e) Ensure coordination among all MF programs and other United States Marine Corps (USMC) programs and commands on personal financial education and training.

(f) Create staffing models, establish program performance management criteria and metrics, provide technical expertise, conduct Quality Assurance and assist field in recommending adjustments to personnel staff.

(g) Serve as waiver authority for requests to appoint E-5 personnel as Command Financial Specialist.

(4) Director, Public Affairs

(a) Coordinate with MF to ensure key PFMP themes, program, events, and updates are incorporated into the annual public affairs plan and local command information efforts. Ensure installation PAs accomplish similar coordination with the local PFMP staff.

(b) Coordinate with MF to provide financial awareness and education on economic and consumer concerns through Department of the Navy (DON) and/or Marine Corps internal media.
(c) Coordinate with MF to obtain information and/or provide a subject matter expert as spokesperson when responding to civilian media inquiries pertaining to PFMP.

(5) Commanding General, Marine Corps Recruiting Command. Within one year of the publication date of this Order, ensure that each Marine Corps District headquarters has at least one trained and qualified staff non-commissioned officer appointed as a CFS (see enclosure 2). Ensure the CFS provides financial education-related information, resources, and training in accordance to this Order to recruiting stations and sub-stations.

(6) Commanding General, Training and Education Command

(a) In coordination with MF, ensure that financial education is delivered throughout a Marine's career.

(b) Ensure that TECOM formal school instructors shall be either a PFMP staff or a CFS (see enclosure 2), an Active Duty Service member with TECOM who has been certified through the Train the Trainer (T3) School and has completed the most current version of Marine Corps Institute (MCI) 3420 and MCI 3422 who is highly encouraged to become a CFS, or an Authorized Financial Resource per reference (c). Other instructors must be approved by MF.

(c) Within one year of the publication date of this Order, ensure that each Marine Corps formal learning center and each Marine Corps School Detachment located at a sister service training activity where the training leads to the assignment of a military occupational specialty has a trained and qualified staff non-commissioned officer appointed as the CFS.

(d) Ensure financial instructors are qualified and authorized staff members per this Order and that the instructor has staff cognizance for personal financial management matters. Financial instructors shall establish and maintain coordination with the designated PFMP point of contact.

(7) Inspector General of the Marine Corps

(a) Ensure the PFMP is included during regular and no-notice inspections.

(b) Utilize the Functional Area checklist prepared and maintained by MF as the standard for ensuring compliance with this Order.

(8) Commanding Generals, Marine Corps Combat Development Command and Marine Corps Installation Command

(a) Serve as a subordinate command in all matters pertaining to Marine and Family Programs.

(b) Ensure implementation of this order to support Operating Forces, tenant commands, and activities.
(9) **Installation Commanders**

(a) Establish PFMP on each installation as a Warfighter and Family Services Category A Morale, Welfare, and Recreation activity within P&PD.

(b) Actively support and promote the PFMP and events aboard the installation.

1. Ensure PFMP staff or a CFS is included as a speaker at Welcome Aboard Briefs, Command Team Trainings, transition events, pre- and post-deployment briefings.

2. Promote PFMP staff, or a CFS, participation at command-level briefings to raise financial awareness and to keep Marines advised of the latest concerns and assistance available. The event sponsor and the PFMP staff shall work together to determine appropriate financial education for the event and include, at a minimum, information on where to access PFMP information and resources on the installation.

(c) Ensure that the PFMP is provided fiscal, physical (private spaces conducive to counseling for PFMP staff, classroom space for PFMP training workshops, computers and internet), and personnel resources. Ensure provision of appropriate resources and materials to enable the PFMP to perform its required functions of education, training, counseling/coaching, and financial information and referral to the Marines as provided herein.

(d) Ensure that references (i) through (k) are followed in regards to commercial solicitation.

(e) Ensure program administration is carried out by local PFMP staff and Command designated unit CFSs who have successfully completed the USMC or Navy CFS course (see enclosure 2). Where installation resources are not available or insufficient for the needs of a commander, coordinate with the PFMP staff and installation SJA to ensure Authorized Financial Resources are utilized and proper approval is obtained.

(f) May provide non-counseling PFMP services on a space available basis for other authorized MWR patrons per reference (h).

(10) **Installation Assistant Chief of Staff, MCCS or Director, Installation MCCS**

(a) Ensure sufficient fiscal, physical, and personnel resources are provided to carry out the requirements of this Order. Per reference (i), all program cost must be paid by appropriated funds although these funds may be converted to non-appropriated funds (NAF) via the Uniform Funding and Management Practice and spent as NAF.

(b) Ensure a sustainable training and counseling environment by providing the PFMP staff adequate private counseling space, access to classrooms and internet-connected computer labs conducive to supporting Marines and their families in workshops, trainings, Military Saves events,
counseling, and other determined needs that increase knowledge, skills and behavior change.

(c) Ensure individual client files are not being created or maintained by PFMP staff.

(d) Ensure PFMP staff obtains within two years of employment and maintains MF approved-professional certification, per references (a) and (c) and enclosure (4).

1. Ensure Personal and Professional Development Advisors or other MF personnel responsible for conducting basic financial training and education complete CFS training per enclosure (2) prior to providing any financial education.

2. Ensure P&PD Advisors providing individual financial counseling, or advanced financial education obtain and maintain MF-approved certification.

(e) Ensure maximum cooperation and financial resources for PFMP staff to attend the MF selected training for the maintenance of certification, professional training and sharing of best practices. Provide resources for additional MF training in order to maintain current awareness of subject matter relevant to issues facing Marines.

(f) Ensure that system(s) are in place to capture PFMP activity/data/metrics. Ensure accurate metrics are reported to MF using the MF designated method and guidance.

(g) Ensure the PFM staff are the primary installation financial educators for Marines and their families. Where PFM or CFS services are not available the use of Authorized Financial Resources as defined in enclosure (1) is authorized. When services from an Authorized Financial Resource are utilized, a PFM or CFS shall monitor the duration of instruction and ensure references (j) and (k) are enforced.

(h) Ensure that PFMP staff or other trained and designated P&PD Advisors, as defined in enclosure (5), conducting CFS training attends a CFS Train-the-Trainer course at a USMC or Naval installation to become a certified train-the-trainer for the CFS training course within 3 months of hire.

(i) Ensure the CFS training course is provided with sufficient frequency, but at least twice per year. Ensure training records are maintained for at least two years with name, rank/rate, and source command of all Marines who successfully complete the CFS course and provide documentation to the Marine for entry into the Marine’s service record.

(j) Ensure only PFMP/CFS course materials approved by MF are used in all financial training and counseling activities to maintain standardization of training.
(k) Ensure PFMP events, information, or updates are promoted in MCCS advertising and public affairs planning, products, and events.

(l) Convene a PFMP awareness forum/meeting at least semi-annually to discuss PFM issues, per reference (c). At a minimum, the following personnel shall be included and encouraged to attend: Commanders, Senior Enlisted Advisors, Family Readiness Officers, CFS, Command Career Counselors/Career Retention Specialists, or their designated representative. At a minimum, issues directed by MF shall be included on the agenda with other relevant financial awareness issues.

(m) Ensure that PFMP staff position descriptions include responsibilities, training and educational standards per enclosure (4) of this Order.

(n) Commanding Officers (CO), Officer(s)-in-Charge (OICs), Inspectors-Instructors (I&Is), and Detachment Commanders

(a) Promote and encourage financial responsibility and sound financial planning and ensure sufficient fiscal, physical, and personnel resources are provided to carry out the requirements of this Order.

(b) Establish CFS as a command program to address unit financial education and counseling. Commands shall designate a ratio of CFS to Marines per Figure 1. Commands and permanent detachments having fewer than 75 Marines should designate a single trained CFS, or can arrange for another command to provide CFS services by written agreement.

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<th>Timeframe</th>
<th>CFS to Marine Ratio</th>
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<td>Within 1 year of the release</td>
<td>1 CFS to every 300</td>
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<td>Within 2 years of the release</td>
<td>1 CFS to every 150</td>
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<td>Within 3 years of the release</td>
<td>1 CFS to every 75</td>
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Figure 1

(c) Ensure a copy of CFS designation from enclosure (6) is provided to the PFM for awareness and Functional Area Inspection.

(d) When more than one CFS is assigned, designate one as the lead CFS and the other as a Command Financial Specialist Assistant (CFSA) for Personal Finances. Use enclosure (7) to designate the CFSA and ensure a copy is provided to the PFM.

(e) Ensure that Marines receive basic personal financial education within three months of arrival at their first permanent duty
station (PDS)/Reserve Training Center (RTC) taught by a PFMP staff or CFS, per reference (a).

(f) Encourage transitioning Marines to complete the Financial Planning for Transition course 12-14 months prior to their End of Active Service (EAS) or Reserve End of Current Contract (RESECC), but no later than 180 days prior to EAS/RESECC. The course is available online or through PFM program classroom instruction at military installations.

(g) In addition to meeting the requirements of the Overseas Duty/Independent Duty Screening Checklists, references (l) and (m), ensure that the debt-to-income ratio for E4 and below deploying overseas does not exceed 30 percent, per reference (c). To calculate, use the monthly debt payments, not including the mortgage on their primary residence, and divide by net monthly income and multiply by 100. For Marines ranked E-5, WO-1, and O-1 and above, ensure they do not have any outstanding or unresolved letters of indebtedness or outstanding returned checks/debits for insufficient funds. Ensure that the Marine completes a financial planning worksheet and the Marine has projected living expenses and debt, entitlements, pay and allowances at the overseas location. Such screenings shall be documented by an administrative remarks page entry into the Marine’s service record.

(h) Upon unit receipt of a bad check or letter of indebtedness on a Marine, it is highly encouraged that the commander refer personnel to the unit CFS or installation PFM for financial counseling and assistance. If neither resource is available, members may be referred to Authorized Financial Resources to preserve financial readiness of the member. The CFS/PFM may coordinate with security managers to ameliorate security clearance issues.

(i) Invite PFMP staff or a CFS to present briefings or training where personal finance will be discussed including but not limited to topics such as: understanding the LES, financial allowances/benefits, investments, insurance, savings, consumer awareness, Service member’s protections, auto purchases, financial planning for deployments, etc. As required, the supporting Installation Personnel Administration Center/I&I administrator and SJA may give briefings on matters of pay and allowances or legal issues, respectively.

(j) Ensure the PFMP is implemented and maintained in all subordinate commands.

(k) Establish support of the PFMP, CFS, and CFF services and initiatives and provide time for a Marine to attend financial education courses throughout their career.

(l) Ensure PFMP information, themes, and events are distributed to Marines and families.

(m) Encourage qualified Marines to consider becoming a CFF, a designation that provides optional support at the unit command level (see enclosures 3 and 8). The CFF will be a trained corporal who will provide peer-to-peer influence to increase importance of personal finances and
awareness of Authorized Financial Resources and programs available as part of financial fitness bridging the gap between generations.

4. Administration and Logistics

   a. The currency, accuracy, and completeness of publication and distribution of this Order, and changes thereto, are the responsibility of CMC (MF).

   b. Submit recommendations for changes to this Order to CMC (MF) via the appropriate chain of command.

   c. Records created as a result of this Order shall be managed according to National Archives and Records Administration approved dispositions per reference (q) to ensure proper maintenance, use, accessibility and preservation, regardless of format or medium.

   d. The generation, collection, or distribution of personally identifiable information (PII) and management of privacy sensitive information shall be in accordance with the Privacy Act of 1974, as amended, per references (e) and (r). Any unauthorized review, use, disclosure or distribution is prohibited.

5. Command and Signal

   a. Command. This Order is applicable to the Marine Corps Total Force.

   b. Signal. This Order is effective on the date signed.

   \[\text{[Signature]}\]
   S. E. HURRAY
   Deputy Commandant for Manpower and Reserve Affairs
   Acting

DISTRIBUTION: PCN 10202322400
LOCATOR SHEET

Subj: PERSONAL FINANCIAL MANAGEMENT PROGRAM (PFMP)

Location: ______________________________________________  
(Indicate the location(s) of the copy(ies) of this Order)
RECORD OF CHANGES

Log completed change action as indicated.

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Authorized Financial Resources. USMC and sister service’s PFMs, Navy and USMC certified CFSs, installation financial institutions, and government agencies. Government agencies/programs such as Military OneSource, Personal Financial Counselors with the Office of the Secretary of Defense Military Family Life Counselors program and other federal, state and local government agencies. In addition, Non-Federal entities (NFE) that are tax exempt and have obtained a Letter of Agreement either through the Assistant Secretary of the Navy, Manpower and Reserve Affairs (ASN(M&RA)) or the ASN(M&RA)’s approved designee or a Memorandum of Understanding from the Office of the Deputy Assistant Secretary of Defense, Military Community and Family Policy. A Memorandum of Understanding from DC (M&RA)/MF must be obtained after obtaining the Letter of Agreement if providing services to more than one Marine Corps installation. The NFE must then be invited by the Installation Commander. A current list of authorized resources is retained on the Personal and Professional Development Section of the USMC M&RA website (www.manpower.usmc.mil).

Basic Financial Education. Basic information such as money management, car buying, insurance, consumer awareness, wills and powers of attorney, transition/retirement, and information on how to evaluate and select assistance with in-depth financial planning needs.

Basic Understanding of Personal Finance. Comprehension of the underlying principles of the personal finance in order to apply them to everyday life situations.

Continuum of Learning for Personal Finance. A series of financial courses that educate Marines on financial topics at certain touch points of a Marine’s career.

Extended Absence Financial Plan. A plan developed by a Marine prior to deployment, specifying the following for the period of the absence: legal power of attorney to accomplish personal and financial requirements, plan for covering financial obligations, disposition of car and auto insurance, allotments for appropriate monthly expenditures, and disposition of other financial issues that might occur during the period of absence.

Financial Education. The act of educating a Marine on the principles and methods that enable a Marine to acquire a set of skills, knowledge and behaviors that allow them to take effective actions regarding current and future use and management of their personal finances.

Financial Counseling. One on one assistance in the evaluation of an individual’s or family’s income and expenditures and recommending short and long-term actions to achieve financial goals and ensure individual, family, and mission readiness.
**Personal Financial Management.** The process (or steps) involved in managing one’s personal finances, including income, expenses, credit, debt, savings, and investments for an individual or family.

**Personal Financial Readiness.** Adequately preparing for the management of personal responsibilities prior to departure on an extended absence, including: family matters and potential family contingencies; personal finances; personal property; and other personal obligations that can and do arise during one’s career lifecycle. Also include prudent day-to-day management of personal finances, including financial planning (budgeting), saving and investing (including Thrift Saving Plan), consumer awareness and credit management. Considerations include career and transition planning, family member employment, and relocation entitlements and expenses.
COMMAND FINANCIAL SPECIALIST (CFS)
QUALIFICATIONS, FUNCTIONS, AND TRAINING

1. Qualifications of the Command Financial Specialist (CFS). The CFS shall function as the command’s principal advisor on policies and matters related to financial education. The following qualifications apply:

   a. Per reference (a) military members in the rank of E-6, and above shall be appointed a CFS upon approval of the application and completion of the CFS Course as designated on enclosure (6). The Director, Marine and Family Programs Division (MF), HQMC, is the waiver authority for commands seeking to appoint a CFS at the E-5 level. Waivers will not be granted below E-5. Enclosure (7) is the designation for the CFSA for Personal Finance. Requests shall contain, at a minimum:

      (1) Command rank demographics (e.g., indicating the absence of senior personnel meeting established criteria).

      (2) Description of the designated member’s qualifications.

   b. Be highly motivated, financially stable, meet the financial overseas screening standards (paragraph 2k below) and have no record of Letters of Indebtedness (LOI) or non-sufficient funds (NSF) or non-judicial punishment (NJP) or poor performance counseling above the rank of LCpl. For assistance with the CFS screening process, COs may seek assistance from the PFMP staff. Screening shall be completed prior to training.

   c. Successfully complete the approved CFS course and be command endorsed.

   d. Have at least one year remaining at the command at time of CFS course completion.

   e. Successfully completed the Leading Marines course and the current MCI 3420 and 3422 Personal Financial Management courses.

   f. Participate in continuing education including, but not limited to, periodic CFS forums and attend the CFS refresher training at least every three years.

2. Functions of the CFS. At the completion of CFS training, the CFS shall be able to perform the following functions:

   a. Assist Marines with basic financial concerns, assist in educating the Marines through briefings/trainings and the initial coaching/counseling as needed.

   b. Coordinate with the PFMP staff on financial matters, education, training, updates, and counseling. Ensure that only Authorized Financial Resources present financial education to the Marines.

   c. Refer a Marine or family member to the PFMP staff or the appropriate authorized financial resource for additional financial education/training, counseling/coaching, or financial information and referral. The CFS may
maintain contact with referred individuals and the resource/counseling agency to monitor progress.

d. Assist the command to establish, organize, and administer the command PFMP including a thorough turnover to a new incoming CFS and update to the PFM staff.

e. Disseminate financial management information within the command and ensure Marines and their families are briefed on PFMP and training opportunities, and encourage Marines and their families to proactively utilize PFMP.

f. Present financial education training as part of the command general military training program and provide financial education training to individuals and elements within the command as requested or required.

g. Maintain confidentiality.

h. Update PFMP staff with overall financial trends or metrics in the commands so the PFMP can adjust training to meet the needs of the Marines.

i. Per reference (a), assess Marines’ basic understanding of personal finance within three months of arrival at their first PDS/RTC by ensuring they attend the first PDS/RTC financial education course. Determine the Marine’s ability to demonstrate a basic understanding of pay and entitlements, banking and allotments, checkbook management, budgeting and saving (to include the thrift savings plan), insurance, credit management, car buying, Permanent Change of Station (PCS) moves, and ability to know where to obtain assistance on financial counseling will be assessed.

j. Assist as required or appropriate in development of Extended Absence Financial Plans prior to any deployment in accordance with reference (a), Family Care Plans required by reference (n) and pre-separation and retirement counseling per references (o) and (p).

k. Complete personal finance screening checklist prior to overseas/special duty assignments/independent duty orders as needed for members of the command per reference (c), (l) and (m). In the absence of a CFS, or in a complicated case, the PFMP staff may perform the screenings.

l. Provide information to clients on the projected living expenses at the overseas location and on the need for the member to fully understand their expenses, entitlements, and pay and allowance changes related to the PCS move.

m. Ensure CFS files relating to the operation and administration of financial personal affairs matters and training are maintained and destroyed per SSIC 1700 of reference (e) and reference (q).

n. Participate in the PFMP awareness forum/meeting at least semi-annually to discuss PFM issues, per paragraph 3b(10)(l) of this Order.

o. If not on a Marine Corps installation, organize at least semi-
annually, a PFMP awareness forum/meeting with, at a minimum, the following personnel, as appropriate: Commanders, Senior Enlisted Advisors, Family Readiness Officers, CFS, Command Career Counselors/Career Retention Specialists, or their designated representative. At a minimum, issues directed by MF shall be included on the agenda with other relevant financial awareness issues.

3. Appointment as a CFS remains in effect until rescinded in writing or three years after CFS course completion. Refresher training must be completed and documented to extend CFS appointment more than three years beyond CFS course completion.

4. CFS shall notify the PFM of any change in status or duty location to ensure local requirements of this Order are maintained.
CORPORAL FOR FINANCIAL FITNESS (CFF) PROGRAM
QUALIFICATIONS, FUNCTIONS, AND TRAINING

Today’s young Marines may make financial decisions based largely on peer recommendations. The CFFs will be a trained Corporal who will provide peer-to-peer influence. They will support the PFMP staff and CFS by performing outreach to target Marines in the ranks of E1-E4 to increase the awareness of the authorized services and programs available to young Marines and why financial fitness is part of mission readiness. The CFF will not provide financial counseling or training.

1. Qualifications of the Corporal for Financial Fitness (CFF). The CFF shall function as the command’s financial fitness on peer-to-peer influence and support the CFS. The following qualifications apply:
   b. Be a volunteer.
   c. Be command endorsed.
   d. Have no record of NJP or poor performance counseling above the rank of LCpl.
   e. Successfully complete the Leading Marines course and the current MCI 3420 and 3422 Personal Financial Management course.
   f. Meet Marine Corps physical fitness standards.
   g. Have a record of financial stability as indicated by completion of a financial planning worksheet, with a Debt-to-Income Ratio that does not exceed 30 percent, and no record of LOI or NSF. For assistance with the CFF screening process, COs may refer to the CFS or PFMP staff for guidance. Screening shall be completed prior to training.
   h. Have a successful interview with PFMP staff.
   i. Be goal-oriented and motivated with good oral and presentation skills.
   j. Have received a Standards of Conduct rating of at least 4.0 and Standards of Proficiency rating of at least 4.0 on their most recent performance evaluation.
   k. Have at least one year remaining at the command at time of CFF course completion.

2. Letter of Designation. The Letter of Designation must include certification to the above qualifications and will be considered conditional until the military member completes the CFF Course or the Navy CFS-E4 program.

3. Functions of the CFF. At the completion of formal training, the CFF shall be able to perform the following functions:
a. Report directly to the CFS in matters related to financial education and assist the CFS and PFMP staff in financial classes for Junior Marines to share real-life, real-time experiences.

b. Provide peer-to-peer influence for learning at PFMP and CFS training leading to overall increased awareness of the services and programs available for those most at risk.

c. Update CFS with overall financial trends in the commands so the PFMP and CFS can adjust training to meet the needs of the Marines.

d. Refer members to the appropriate authorized financial resource capable of providing necessary assistance/counseling, such as the CFS, PFMP staff, Legal Services, or Navy and Marines Corps Relief Society.

4. **Training**

   a. Complete the 16-hour CFF Course.

   b. Participate in continuing PFMP workshops as available.
1. Responsibilities of PFM Staff

   a. Provide practical, engaging, and active financial education/training, counseling, information, referral, and consumer information to Marines and their family on personal financial issues. Method of instruction should take into consideration the learning methods of the client’s generation.

   b. Maintain contact with the CFSs and assist local commands and unit CFSs by serving as the primary resource in delivering the standardized curriculum, updated information, and pertinent information and marketing practices prevalent at that installation/supporting facility and in the vicinity.

   c. Maintain confidentiality concerning Marines seeking PFMP services. Advise prospective clients that confidentiality is limited when there are concerns regarding criminal activity.

   d. Ensure individual client files are neither created nor maintained. Ensure all documents are handled in accordance with references (e), (q), and (r).

   e. Maintain liaison with installation financial institutions, installation bank liaison, and Authorized Financial Resources.

   f. Conduct a CFS Train-the-Trainer course of instruction at least twice annually, or as needed to meet the CFS mission requirements in Figure 1 of this order using the CFS Instructor Guide and the CFS Training Manual. Conduct periodic CFS forums and refresher training for certified CFSs to maintain their designation. Trained and CFS certified P&PD Advisors may contribute in this training.

   g. Conduct a CFF course of instruction for Corporal Enlisted Leadership at least twice annually, preferably quarterly. Conduct periodic CFF forums and encourage additional workshops for the CFF to attend. Trained P&PD Advisors and CFSs may contribute in this training.

   h. Conduct Financial Planning for Transition course and Continuum of Learning for Personal Finance as required to meet the needs of Marines and service members. Trained P&PD Advisors may contribute in this training.

   i. Conduct basic financial education to be completed by Marines within three months of arriving at their first PDS/RTC at a frequency required to meet the needs of these Marines. Trained P&PD Advisors and CFSs may contribute in this training.

   j. Ensure that government funded financial resource books, references, and training materials for use in general military training, divisional training, workshops/trainings, and counseling purchased through MF is maintained in PFM office.
k. Support age-appropriate classes or seminars for youth and teens as part of their school-age or youth education classes or activities at MCCS on-base Children, Youth and Teen Program activities.

l. Collaborate with military units such as Wounded Warrior Regiment and Marine and Family Programs such as, but not limited, to Transition Readiness, Family Member Employment, Voluntary Education and Vocational Programs, Relocation Assistance, Marine Corps Family Team Building, Exceptional Family Member Program, Family Readiness, Behavioral Health, Children Youth and Teen as well as Semper Fit’s Single Marine Program and other personal and family support programs and ensure financial education is being provided and presented by authorized financial resources.

m. Report PFMP utilization metrics via the designated MF-directed reporting method. Metrics will be used by MF to compile data for P&PD internal reporting requirements, and to drive program resource decisions and program development.

2. PFM Staff Training and Education Standards. PFM staffs assigned to provide financial education services at Marine Corps Installations/supporting facilities shall, at a minimum:

a. Prior to their assignment, possess a minimum of a baccalaureate degree preferably related to personal finance from a college or university accredited by a regional accrediting body recognized by Department of Education, and preferably a master’s degree, or a combination of financial education and experience which prepares them to serve as a Personal Financial Management counselor. Their previous qualifications in financial education, training, or experience, must qualify them to provide financial counseling.

b. Within three months of hire date, successfully complete the CFS course.

c. Obtain and maintain MF-approved financial counselor certification per references (a) and (c) within two years of hire date.

d. Attend professional continuing education on personal financial management to include MF-designated annual training and attendance at PFMP related educational events to meet the needs of the Marine Corps.

e. Become familiar with references contained within this Order.
PERSONAL AND PROFESSIONAL DEVELOPMENT ADVISOR
LETTER OF DESIGNATION AS COMMAND FINANCIAL SPECIALIST
FOR OFFICIAL USE ONLY (When Filled In)

From: Marine and Family Services Director or MCCS Director
To: Job Title, First and Last Name

Subj: PERSONAL & PROFESSIONAL DEVELOPMENT BRANCH ADVISOR CONDITIONAL APPOINTMENT AS COMMAND FINANCIAL SPECIALIST

Ref: (a) MCO 1700.37
     (b) SECNAVINST 1740.4

1. Per references (a) and (b), upon completion of the Command Financial Specialist Train-the-Trainer course you will receive your CFS Trainer certification. Certification qualifies you to instruct the financial portion of the Transition Readiness Seminar, basic financial education taught in the CFS and the Continuum of Learning for Personal Finance, and consistent with instructor assignments in enclosure (2) of reference (a). You will familiarize yourself with policies, procedures and references from reference (a) and (b) in the performance of your duties.

2. In your capacity as a certified CFS P&PD Advisor, work closely with the PFM staff in matters related to financial education. Complete the information requested below and forward as indicated.

3. This designation remains in effect until rescinded in writing. Inform PFMP staff of any relinquishment of the position or transfer.

(Signature)

Date
From: Job Title, First and Last Name
To: Marine and Family Services Director or MCCS Director
Date of Successful Completion:
E-Mail Address and phone number:

I accept the duties of supporting the PFMP per this Order.

(Signature)

Copy to: PFM
SAMPLE COMMAND FINANCIAL SPECIALIST LETTER OF DESIGNATION
FOR OFFICIAL USE ONLY (When Filled In)

Date

From: Commanding Officer (CO)/Officer in Charge (OIC)
To: Rate/Rank, First and Last Name

Subj: DESIGNATION AS COMMAND FINANCIAL SPECIALIST (CFS)

Ref: (a) MCO 1700.37
     (b) SECNAVINST 1740.4

1. You will be designated as the (Command Name) CFS upon completion of the Command Financial Specialist Course per reference (a) and (b). You will familiarize yourself with policies, procedures and references of reference (a) and (b) and other applicable Personal Financial Management Program elements in the performance of your duties.

2. In your capacity as CFS, you will report directly to the CO/OIC or their representative. Complete the information requested below and forward as indicated.

3. This designation remains in effect until rescinded in writing.

(Signature)

Date

From: Rank, First and Last Name
To: Commanding Officer/Officer in Charge

Date of Designation:
Date Completed CFS Course:
E-Mail Address: Phone Number:

I accept the designation of _________ (command name) CFS.

(Member signature)

Copy to: PFM
From: Commanding Officer (CO)/Officer in Charge (OIC)
To: Rate/Rank, and Name

Subj: DESIGNATION AS COMMAND FINANCIAL SPECIALIST ASSISTANT (CFSA)

Ref: (a) MCO 1700.37
(b) SECNAVINST 1740.4

1. You will be designated as the (Command Name) CFSA upon completion of the Command Financial Specialist Course per reference (a) and (b). You will familiarize yourself with policies, procedures and references of reference (a) and (b) and other applicable Personal Financial Management Program elements in the performance of your duties.

2. In your capacity as CFSA, you will report directly to the CO/OIC and CFS or their representative. Complete the information requested below and forward as indicated. This designation remains in effect until rescinded in writing.

Signature

Name/Rank:

Waiver Granted: ____

Date of Designation:

Date Completed CFS Course:

Global E-Mail Address:

DSN Phone Number:

Location of Servicing Family Center:

I accept the designation of (Command Name) CFSA Assistant for Personal Finances.

Member Signature

Copy to: PFM
From: Commanding Officer (CO)/Officer in Charge (OIC)
To: Rate/Rank, First and Last Name

Subj: DESIGNATION AS CORPORAL FOR FINANCIAL FITNESS (CFF)

Ref: (a) MCO 1700.37
     (b) SECNAVINST 1740.4

1. The Personal Financial Management Program (PFMP) staff and CO/OIC have confirmed that you meet the qualifications per reference (a) as a CFF, including that you are volunteering to serve as CFF.

2. You will be designated as the (Command Name) CFF upon completion of the CFF course. You will familiarize yourself with the policies and procedures of references (a) and (b) and other applicable PFMP elements in the performance of your duties.

3. As it relates to unit financial education matters you will report directly to the command’s CFS. Complete the information requested below and forward as indicated.

4. This designation remains in effect until rescinded in writing.

(Signature)

Date
From: Rank, First and Last Name
To: Commanding Officer/Officer in Charge
Date of Designation and completion of CFF course:
E-Mail Address: Phone Number:

I accept the designation of _________ (command name) CFF.

(Signature)

Copy to: PFM and command CFS
SUBJECT: Military Family Readiness

References: See Enclosure 1

1. PURPOSE. In accordance with the authority in DoD Directive (DoDD) 5124.02 (Reference (a)), this Instruction:

   a. Reissues DoD Instruction (DoDI) 1342.22 (Reference (b)) and establishes policy, assigns responsibilities, and establishes procedures for the provision of military family readiness services.

   b. Sets requirements for financial education and counseling, relocation assistance, family readiness in the Reserve Components (RCs), and emergency family assistance (EFA).

   c. Cancels DoDD 1342.17, DoDIs 1342.27, 1338.19, and 1342.23, and Directive-Type Memorandum 10-023 (References (c) through (g)).

2. APPLICABILITY. This Instruction:

   a. Applies to OSD, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities within the DoD (hereinafter referred to collectively as the “DoD Components”).

   b. Applies to all Military Service members and their families and, when authorized by law or the Secretary of the Military Department concerned, and other designated populations such as civilian personnel. Additional detail regarding eligibility for services is outlined in this Instruction.

   c. Where it addresses EFA, applies to DoD personnel, including Active Components, RCs, DoD civilians, DoD families, DoD and non-DoD tenants, transient DoD and U.S. Government personnel, and DoD contractors living or working on DoD installations worldwide.
(1) Where Defense Agencies, DoD Field Activities, and other DoD Components are tenant organizations on an installation hosted by a DoD entity that provides family support for the tenant organizations, a separate EFA plan is not required to be developed by such tenant organizations. If the tenant organizations have unique circumstances that are not addressed in the host installation EFA plan, the tenant organization shall develop and maintain an appropriate contingency plan that addresses the gaps in the host installation EFA plan.

(2) Where Defense Agencies, DoD Field Activities, and other DoD Components are tenant organizations hosted by non-DoD entities, appropriate contingency plans are required.

d. Is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any person, organization, or other entity against the United States, its departments, agencies, officers, employees, or agents, or any other person.

3. DEFINITIONS. See Glossary.

4. POLICY. It is DoD policy that:

a. The role of personal and family life shall be incorporated into organizational goals related to the recruitment, retention, morale, and operational readiness of the military force.

b. Service members and their families have primary responsibility for their well-being. Family readiness services enhance members’ and families’ abilities to fulfill that responsibility.

c. The type and level of family readiness services provided to Service members and their families shall be correlated to needs resulting from the unique challenges associated with military service across three domains of family readiness:

(1) Mobilization and deployment readiness.

(2) Mobility and financial readiness.

(3) Personal and family life readiness.

d. Family readiness services shall be provided through a system that maximizes the network of agencies, programs, services, and individuals in a collaborative manner to promote military family readiness, hereinafter referred to as the family readiness system (FRS). The FRS shall:

(1) Be allocated resources to accomplish its mission.

(2) Be designed, funded, and managed:
(a) Using results obtained from a performance management strategy that includes assessment of needs as well as reporting on family readiness fiscal, manpower and program information, and evaluation of family readiness services.

(b) To enable services, staff, and resources to be surged, drawn down or evolved, as needed, to respond swiftly and effectively to the changing needs of Service members and their families during peacetime, war, periods of force structure change, relocation of military units, base realignment and closure, crisis, natural disaster, and other emergency situations.

(c) To maximize diverse forms of service delivery including, but not limited to, the Internet, telephone, outreach, and co-location of services in an easily accessible environment.

(d) To address the varied composition, cultural diversity, and demographics of Service members and their families.

3. Promote military recruitment and retention, and support commanders’ ability to maintain a mission-ready force consistent with DoDI 4001.1 (Reference (h)).

4. Link formal and informal networks to promote a sense of community and optimize Service member and family strengths and capacity to demonstrate resilience.

5. Involve Service members, their families, and DoD leadership in FRS performance management efforts, as appropriate.

6. Promote interagency collaboration and service coordination within and among Federal and non-Federal entities to identify and achieve common family readiness goals and improve communication among service providers and with Service members and their families.

7. Provide compassionate, coordinated assistance and support to DoD personnel and their families in the event of an all-hazards incident.

8. Use joint program standards and standardized assessment tools to ensure that the services outlined in this Instruction are available, accessible, and have the intended impact.

9. Work collaboratively with public affairs offices to create uniform and comprehensive communication strategies targeted to Service members, their families, service providers, commanders, and communities.

5. RESPONSIBILITIES. See Enclosure 2.

6. PROCEDURES. See Enclosure 3.
7. INFORMATION COLLECTIONS. The Annual Report on Family Readiness Programs referred to in paragraphs 2.a and 7.d.(1) of Enclosure 2 and 6.e. of Enclosure 3 of this Instruction has been assigned Report Control Symbol (RCS) DD-P&R(A)1910 in accordance with Volume 1 of DoD Manual 8910.01 (Reference (i)). The expiration date of this information collection is listed in the DoD Information Collections System at https://apps.osd.mil/sites/DoDIIC/Pages/default.aspx.

8. RELEASABILITY. Cleared for public release. This Instruction is available on the DoD Issuances Website at http://www.dtic.mil/whs/directives.

9. SUMMARY OF CHANGE 2. The changes to this issuance are administrative and update references for accuracy.

10. EFFECTIVE DATE. This instruction is effective July 3, 2012.

Enclosures
1. References
2. Responsibilities
3. Procedures

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REFERENCES

(b) DoD Instruction 1342.22, “Family Centers,” December 30, 1992 (hereby cancelled)
(d) DoD Instruction 1342.27, “Personal Financial Management for Service Members,” November 12, 2004 (hereby cancelled)
(e) DoD Instruction 1338.19, “Relocation Assistance Programs,” June 15, 1990 (hereby cancelled)
(f) DoD Instruction 1342.23, “Family Readiness in the National Guard and Reserve Components,” September 29, 1994 (hereby cancelled)
(g) Directive-Type Memorandum 10-023, “Emergency Family Assistance,” December 10, 2010 (hereby cancelled)
(h) DoD Instruction 4001.01, “Installation Support,” January 10, 2008, as amended
(j) Sections 992, 1056, 1588, 1781, 1781a, 1781b, 1781c, 1782, 1784, and 1784a of title 10, United States Code
(n) DoD Instruction 1344.07, “Personal Commercial Solicitation on DoD Installations,” March 30, 2006
(p) DoD Instruction 6490.06, “Counseling Services for DoD Military, Guard and Reserve, Certain Affiliated Personnel, and Their Family Members,” April 21, 2009, as amended
(r) Sections 501-596 of the appendix to title 50, United States Code
(s) DoD Instruction 1342.19, “Family Care Plans,” May 7, 2010
(t) DoD Instruction 6400.01, “Family Advocacy Program (FAP),” February 13, 2015
(u) DoD Instruction 6400.06, “Domestic Abuse Involving DoD Military and Certain Affiliated Personnel,” August 21, 2007, as amended
(z) DoD Instruction 6025.18, “Privacy of Individually Identifiable Health Information in DoD Health Care Programs,” December 2, 2009
(ac) Unified Facilities Criteria 4-730-01, “Family Services Centers,” April 7, 2006
(ae) DoD Instruction 1100.21, “Voluntary Services in the Department of Defense,” March 11, 2002, as amended
(af) Section 401 of title 37, United States Code
ENCLOSURE 2

RESPONSIBILITIES

1. UNDER SECRETARY OF DEFENSE FOR PERSONNEL AND READINESS (USD(P&R)). The USD(P&R) shall:

   a. Monitor compliance with this Instruction.

   b. Establish partnerships, in accordance with applicable laws and regulations, with Federal and non-Federal entities to enhance family readiness services.

   c. Pursuant to section 1781 of title 10, United States Code (U.S.C.) (Reference (j)), maintain the Office of Family Policy, which shall:

      (1) Coordinate programs and activities of the Military Departments to the extent that they relate to military families.

      (2) Make recommendations to the Secretaries of the Military Departments with respect to programs and policies regarding military families.

2. ASSISTANT SECRETARY OF DEFENSE FOR MANPOWER AND RESERVE AFFAIRS (ASD(M&RA)) The ASD(M&RA), through the Office of the Deputy Assistant Secretary of Defense for Military Community and Family Policy (ODASD(MC&FP) under the authority, direction, and control of the USD(P&R) shall:

   a. Provide direct oversight of family readiness services through the regular collection and analysis of fiscal, manpower, facility, and program information from the Military Services. In collaboration with the Secretaries of the Military Departments, develop a standard format and common elements for the Annual Report on Family Readiness Programs required in paragraph 6.e. of Enclosure 3 to facilitate such oversight.

   b. Provide dedicated staff to oversee implementation of this Instruction.

   c. In collaboration with the Military Departments, establish a FRS performance management strategy pursuant to section 6 of Enclosure 3.

   d. Initiate, coordinate, and track research activities related to military family readiness, and ensure that such research and promising practices are catalogued and made available to stakeholders. Use research to inform programmatic decisions. Provide guidance and technical assistance to the DoD Components in applying research findings to program management.

   e. Establish requirements for family readiness service provider training and coordinate joint-Service training programs based on research and the results of program evaluation.
f. Ensure:

(1) Access to family readiness services by members of the RCs and their families consistent with Service regulations.

(2) Involvement of the RCs in family readiness planning, implementation, and evaluation.

(3) Coordination among Reserve Regional Headquarters, State Joint Forces Headquarters, installation commanders, and community leaders through inter-Service family assistance committees, as appropriate.

(4) Access to training for the RCs.

(5) Compliance with this instruction within the RCs.

g. Share lessons learned related to family readiness services with the Deputy Assistant Secretary of Defense for Civilian Personnel Policy for application to the Civilian Expeditionary Workforce in accordance with DoDD 1404.10 (Reference (k)).

h. In collaboration with the Secretaries of the Military Departments, establish a family readiness communication plan to:

(1) Promote consistency in family readiness messages provided to Service members and their families.

(2) Educate the broader military, federal, and civilian communities about the relationship between family readiness and operational readiness and the family readiness system.

(3) Promote referrals by those who have direct contact with Service members and their families (including health care providers, school personnel, legal personnel, chaplains, and child care providers) to the family readiness services outlined in paragraph 3 of Enclosure 3, as appropriate.

i. Appoint a representative to the DoD Emergency Management Steering Group consistent with DoDI 6055.17 (Reference (l)).

j. Ensure compliance with this instruction within the RCs.

3. DIRECTOR, TRANSITION TO VETERANS PROGRAM OFFICE (TVPO). The Director, TVPO, under the authority, direction, and control of the Director, DoDHRA, with policy direction from the ASD(M&RA), shall provide oversight for transition assistance services.
4. ASSISTANT SECRETARY OF DEFENSE FOR HEALTH AFFAIRS (ASD(HA)). The ASD(HA), under the authority, direction, and control of the USD(P&R), shall establish requirements for education and training on the FRS for Military Health System (MHS) personnel to ensure appropriate referrals between the MHS and the FRS, when indicated.

5. HEADS OF THE DOD COMPONENTS. The Heads of the DoD Components shall:

   a. Establish implementing guidance in accordance with the EFA requirements of this Instruction.

   b. Ensure that every DoD installation has a written plan for the provision of EFA that addresses the requirements of this Instruction and is integrated into overarching installation emergency management plans in accordance with Reference (l).

6. SECRETARIES OF THE MILITARY DEPARTMENTS. The Secretaries of the Military Departments, in addition to the responsibilities in section 5 of this enclosure, shall:

   a. Establish implementing Departmental guidance in accordance with this Instruction and forward a copy of implementing guidance to the ASD(M&RA) within 120 days. To the extent possible, the Services should encourage use of terminology, e.g., program labels, consistent with this Instruction to minimize confusion for end users.

   b. Allocate adequate resources to implement the requirements of this Instruction, ensuring that family readiness services are available to all Service members and their families regardless of geographic location or proximity to military installations.

   c. Ensure integration of the RCs in all aspects of FRS development and management. Identify and address needs that are unique to the RCs.

   d. Collaborate with the ASD(M&RA) to develop and implement a family readiness performance management strategy in accordance with section 6 of Enclosure 3, including submission of:

      (1) The Annual Report on Family Readiness Programs to the Deputy Assistant Secretary of Defense for Military Community and Family Policy no later than 15 February annually.

      (2) Triennial assessments of military family needs.

   e. Coordinate family readiness programming with the RCs, other Military Services, and other Federal and non-Federal entities to avoid redundancy and maximize the use of existing resources to the greatest extent possible.
f. Assist Service members in fulfilling their responsibility to prepare their families for their mission-related absence(s).

g. Ensure that local military communities, including military families, commanders, medical personnel, chaplains, child and youth services personnel, school personnel, and community-based service providers, as appropriate, are educated about:

(1) The rewards and challenges of military service.

(2) The relationship between family readiness and operational readiness.

(3) The system of support available to military families in managing the challenges of daily living experienced in the context of military service.

h. Ensure monitoring of banks and credit unions on military installations for compliance with financial education requirements in paragraphs 340307(h) and 340409 (Volume 5, Chapter 34) of DoD 7000.14-R (Reference (m)) and DoDI 1344.07 (Reference (n)).

i. Ensure establishment of a Family Readiness Coordinating Committee (FRCC) on every military installation in accordance with section 7 of Enclosure 3.

j. Direct commanders to:

(1) Encourage the use of family readiness services by Service members and their families.

(2) Leverage the FRS to help them identify potentially challenging family issues and mitigate the impact of such issues on operational readiness, including:

   (a) Consult regularly with family readiness leadership and service providers to keep families informed of family readiness services and address family readiness-related challenges.

   (b) Refer Service members in their commands for personal financial management (PFM) services when notified of such members’ financial difficulty or indebtedness.

(3) Support Total Force Joint-Service family readiness efforts to maximize regional cooperation, planning, and information sharing. Capabilities resident in the Military Services and other Federal, State, and local entities should be maximized to assist with family readiness efforts.
1. OVERVIEW OF THE FRS

a. The FRS is composed of DoD-operated and community-based family readiness services that are delivered through a variety of access points, e.g., Military and Family Support Centers (MFSCs) and Military OneSource (MOS). (See paragraph 4.b. of this enclosure for detailed information on family readiness access points.)

   (1) Section 3 of this enclosure provides requirements for the family readiness services that represent the foundation of the FRS.

   (2) Other services provided by DoD entities and through collaboration with other Federal and non-Federal entities shall be engaged as contributors to the overall mission of the FRS as described in paragraph b. of this section. Such services include, but are not limited to, religious or spiritual support; medical services; child and youth services; psychological services; sexual assault prevention and response services; suicide prevention services; and children’s educational services.

b. The mission of the FRS is to help Service members and their families manage the challenges of daily living experienced in the unique context of military service. The FRS performs the critical roles of:

   (1) Assisting commanders in preventing, identifying, and addressing family readiness-related challenges in order to maintain unit cohesion and operational readiness. Family readiness service providers serve as consultants to commanders in this effort.

   (2) Providing a network of high-quality integrated services and support that mitigate the challenges of daily living and those associated with the military lifestyle.

c. Family readiness services shall emphasize personal growth, positive development, and improved individual and family functioning.

d. Except where otherwise required by law, DoD regulation or command authority, accessing family readiness services is voluntary.

2. FUNDING. Family readiness services shall be operated using appropriated funds, unless the Secretary of the Military Department has elected to operate them as a Category A morale, welfare, and recreation (MWR) activity per the guidance in DoDI 1015.10 (Reference (o)).
3. SERVICES. The following services shall be made available to Service members and their families.

   a. Relocation Assistance. In accordance with section 1056 of Reference (j), relocation assistance shall be available to Service members who are ordered to make a permanent change of station (PCS) and dependents of such members who are authorized to move in connection with the PCS.

      (1) Services shall include:

         (a) Information, education, and referrals related to destination area preparation and settling-in, with emphasis on information regarding moving costs; housing options and home-finding assistance; child care; services for family members with special needs; spouse employment opportunities; schools; cultural adaptation; immigration issues; and community orientation.

         (b) Workshops and counseling and, as requested and in coordination with other family readiness service providers, about financial management; home buying and selling; renting; stress management related to moving; property management; and shipment and storage of household goods (including motor vehicles and pets).

         (c) Sponsorship training services to facilitate cost-effective and efficient transition to a new community and unit.

      (2) Relocation information and resources shall be available via a secure DoD-maintained computerized information system (CIS).

         (a) Relocation information shall be continuously updated in the CIS by installation relocation service providers.

         (b) Relocation information shall be certified quarterly in the CIS by installation relocation service providers.

         (c) Relocation assistance staff shall inform military personnel offices about the CIS so they may access information on locations of possible future duty assignments.

   b. Non-Medical Individual and Family Counseling. The FRS shall provide non-medical counseling services that are short-term and solution focused, and address topics related to personal growth, development, and positive functioning. Such services are governed by DoDI 6490.06 (Reference (p)).

   c. Personal and Family Life Education. The FRS shall offer:

      (1) Education and enrichment services that focus on helping families build and maintain healthy relationships, strengthen interpersonal competencies and problem-solving skills, and master respective roles, tasks, and responsibilities throughout the family life cycle.
(2) When possible and in collaboration with other family readiness service providers, education and resources related to health, fitness, wellness, and nutrition.

d. PFM Services. The FRS shall offer proactive personal life cycle financial management services that provide Service members and their families with the tools and information they need to develop individual strategies to achieve financial goals and address financial challenges. Information shall address the effects of financial decisions on personal and professional lives, resources needed to make prudent consumer decisions, and related services and support.

(1) Service members are responsible for their personal finances, and are expected to pay their just financial obligations in a proper and timely manner pursuant to DoDI 1344.09 (Reference (q)).

(2) PFM services shall:

(a) Support commanders in maintaining unit financial readiness to sustain mission readiness.

(b) Promote personal readiness and retention in the military.

(c) Include:

1. Education and training.

   a. Education and training shall be designed as a continuum of service, provided as a component of Service members’ initial entry orientation training and of periodically recurring training across the military lifecycle as outlined in Section 992 of Reference (j).

   b. At a minimum, training on basic PFM skills shall be provided to Service members within 3 months of arriving at the first permanent duty station.

   c. Service members assuming a leadership role with responsibility for supervision of others (officers and noncommissioned officers) shall be provided with information on policies and practices designed to protect junior military members, including those governing commercial solicitation as outlined in Reference (n).

2. Counseling.

   a. One-on-one assistance in the evaluation of individual or family income and expenditures and recommendations for short- and long-term actions to achieve the financial goals and contribute to individual and operational readiness shall be provided.

   b. Prior to deployment, Service members shall be encouraged to establish an extended absence financial plan, and support will be offered in the development of such plans.
3. Consumer advocacy and complaint resolution and reporting assistance in coordination with appropriate authorities.

4. Information and referrals (I&Rs) made in accordance with Reference (n).

(d) At a minimum, address:

1. Money management, which includes information on topics such as savings and banking; budgeting; credit management; debt management; and making prudent consumer purchases.

2. Financial management planning, which includes basic information on topics such as investing; taxes; insurance; education; wills and trusts; transition/retirement, and information on how to evaluate and select assistance with in-depth financial planning needs.

3. Legal affairs information and referral (I&R) on topics such as estate planning; power of attorney; predatory lending and compliance with sections 501-596 of the appendix to title 50, U.S.C. (also known as “The Servicemembers Civil Relief Act”) (Reference (r)).

(3) Outreach to children, youth, and spouses (or service providers serving these groups) shall encourage family member participation in PFM services.

(4) Where applicable, PFM services shall incorporate the following DoD Financial Readiness Campaign pillars to help Service members reach their financial goals and achieve financial freedom:

(a) Maintain good credit.

(b) Achieve financial stability.

(c) Establish routine savings.

(d) Participate in the Thrift Savings Plan and Savings Deposit Program.

(e) Sustain the Service member’s Group Life Insurance and other insurance.

(f) Encourage low-cost loan products as an alternative to payday lending and predatory loans.

(g) Use low-cost MWR programs.

(h) Preserve security clearances.

(5) The provision of PFM services shall maximize existing DoD assets, including command-based financial readiness service providers and other DoD-sponsored financial readiness assets approved by the installation commander.
(a) When banks and credit unions operating on DoD installations and other non-governmental organizations are used to provide financial education, they shall comply with the conditions set forth in Reference (n).

(b) When services from a non-governmental organization are utilized, DoD service providers shall monitor them throughout the duration of instruction.

(6) At a minimum, one staff member within the installation-based MFSC shall be designated and trained to organize and execute financial management services for the military community. Service providers hired, contracted, or serving part-time as the primary expert on personal finances for the installation or region shall:

(a) Possess a baccalaureate degree from an accredited college or a combination of education and experiences, which equips such service providers to serve as a PFM counselor.

(b) Obtain and maintain a nationally recognized financial counselor certification in accordance with Service implementing guidance.

e. I&R Services. I&R services shall embody a continuum of service that links individuals with the information or service that meets an identified need. Such services include:

(1) Familiarizing Service members and their families with the range of services available through the FRS.

(2) Making referrals to DoD-operated and community-based resources.

(3) Working closely with Service members and their families to identify their needs and locate services not readily available through the FRS.

(4) Advocating for Service member and family access to needed services.

f. Deployment Assistance. The FRS shall offer services and support to Service members and their families before, during, and after deployment to promote positive adjustment to deployment, family separation, and family reunion. Such services shall:

(1) Be provided for mobilizations, activations, and deployments lasting longer than 30 days and those happening as a unit or individually.

(2) Educate Service members and their families about deployment-related challenges that they may face, and the services available to them to cope with such challenges.

(3) Be initiated early enough that Service members and their families have adequate time to participate and respond to the information that they receive.

(4) Ensure ongoing outreach, communication, activities, and events with deploying and deployed units, Service members and their families throughout all phases of deployment to
promote prevention and early identification of family problems that may compromise military or family readiness.

(5) As requested by commanders or Service members, provide assistance in developing family care plans in accordance with DoDI 1342.19 (Reference (s)).

g. **Spouse Education and Career Opportunities (SECO).** The FRS shall provide services that strengthen the education and career opportunities of military spouses.

(1) In accordance with sections 1784 and 1784a of Reference (j), education and career opportunity services shall include:

(a) Career exploration opportunities to help military spouses understand their skills, interests, and goals in order to discover available opportunities that are aligned with these personal characteristics.

(b) Education and training to help military spouses identify academic, licensing, or credentialing requirements that can help them reach career goals and access sources of financial assistance for such requirements.

(c) Employment readiness assistance to optimize self-marketing skills such as resume writing and interview techniques.

(d) Employment connections that promote the hiring of military spouses through the Military Spouse Employment Partnership and other partnerships, online career networks, job fairs, and Federal appointment authorities, as appropriate.

(2) When assessing the need for SECO services, family readiness service providers shall identify opportunities to refer military spouses to other services that support their well-being, e.g., health and fitness; family life education; and PFM services.

h. **Exceptional Family Member Services.** In accordance with section 1781c of Reference (j), family support services shall be provided to assist family members with special needs in accessing services as part of the overall Exceptional Family Member Program (EFMP).

(1) Family support services must include, but are not limited to:

(a) Provision of assistance to military families with family members with special needs, regardless of the sponsor’s enrollment status in the EFMP.

(b) Provision of non-clinical case management, including the development and maintenance of an individualized services plan that identifies the family’s current needs and the services they require.

(c) Provision of information about and referral to appropriate local military and community resources.
(d) Provision of information to leadership in identifying and addressing the needs of military families with special needs.

(e) Collaboration with installation providers and Federal, State, and local agencies to share and exchange information in developing a comprehensive program.

(f) Provision of relocation support, including coordination with the gaining installation’s EFMP community support program, consistent with paragraph 3.a. of this enclosure.

(g) Education and provision of assistance to Service members and their families about the EFMP enrollment and assignment coordination process, resources, and other topics as deemed appropriate.

(2) Family support services may include respite care for family members who meet the eligibility criteria, regardless of age, according to Service-specific eligibility and guidance.

i. Child Abuse Prevention and Response Services. Child abuse prevention and response services are provided as governed by DoDI 6400.01 (Reference (t)).

j. Domestic Violence Prevention and Response Services. Domestic violence prevention and response services are provided as governed by Reference (t) and DoDI 6400.06 (Reference (u)).

k. MWR Services. MWR services are provided as governed by Reference (o)).

l. EFA. Requirements for EFA were developed using recommendations from the Report of the DoD Independent Review (Reference (v)) and the DoD After Action Report (Reference (w)).

(1) EFA Plans. Every DoD installation shall develop and maintain a written statement of policy that establishes, implements, and sustains EFA under the authority of the installation emergency management plan in accordance with Reference (l). At a minimum, such plans shall include:

(a) Mission. Plans shall describe the mission of the Emergency Family Assistance Center (EFAC) as promoting short- and long-term recovery and the return to a stable environment and mission ready status for DoD personnel and their families following an all-hazards incident, and in accordance with Joint Publication 3-68 (Reference (x)), delivery of noncombatant repatriation assistance for DoD/non-DoD civilian employees and DoD/non-DoD family members affected by an authorized/ordered departure from an overseas country throughout the entire safe haven period. The EFAC shall be the central point for:

1. Delivery of the services outlined in subparagraph 3.1.(1)(c)5. of this section, which address the practical and emotional needs of families arising from the incident.
2. Coordination of family assistance services from governmental and non-
governmental entities.

3. Continuous, authoritative, and factual family assistance information for
Service members, families, service providers, leadership, and other stakeholders.

(b) Concept of Operations. The concept of operations shall describe the general
sequence and scope of the family assistance response effort, and shall include:

1. The sequence of activities for activating, sustaining, and deactivating an
EFAC, including criteria for assessing the types of services required based on the type of
incident.

2. Organizational responsibilities and plans for coordination among organizations
supporting the family assistance response effort.

3. Execution of the EFA plan, including plans for synchronization of services
across the functional areas in subparagraphs 3.l.(1)(c)4. and 3.l.(1)(c)5. of this section.

4. Plans for assessing the need for community support.

5. Integration of the EFA plan as part of the installation emergency management
plan.

6. An equipment and materials checklist to activate the EFAC.

(c) Organizational Structure. EFA plans shall describe the organizational structure
for the EFAC and organizational and functional responsibilities. The organizational structure of
the EFA plan shall be captured in the installation emergency management plan. The EFAC
organizational structure shall:

1. Include the EFAC staffing structure, including lines of succession for key
management and staff positions.

2. Provide for the development and updating of contact rosters.

3. Include any memorandums of agreement, memorandums of understanding, or
any other agreements with emergency responders; relevant service providers (installation-based
and community-based); other Service component commands; and local, State, and Federal
emergency management institutions. These documents define the lines of communication and
working relationship between the EFAC and other emergency responders.

4. Address, at a minimum, responsibilities of the EFAC functional areas and the
staff positions that comprise:
a. Management, which includes the EFAC director, a legal advisor, and a casualty and mortuary affairs advisor.

b. Administration, which includes volunteer coordination, documentation and reporting, communication, and registration functions.

c. Public affairs.

5. Address the EFAC operational component, including the types of services to be provided to families, personnel requirements for such services, and coordination among service providers. At a minimum, plans shall address requirements for the provision of:

a. Identification of medical needs and information on available medical services.

b. Coordination with casualty and mortuary affairs.

c. Religious and pastoral care.

d. Psychosocial services, including assessment, non-medical counseling (inclusive of crisis intervention, stress counseling, and debriefs), and referrals to military or community medical providers for persons requiring clinical mental health services.

e. Housing or temporary lodging services.

f. Transportation.

g. Translation and interpreter services.

h. Child and youth services.

i. Legal services.

j. Financial services, including assistance with insurance, entitlements, and benefits.

k. I&R services.

l. Shelter management.

m. Personnel locator assistance.

6. Address measures to provide security, access control, and protection of privacy in accordance with DoDD 5400.11 (Reference (y)) and DoDI 6025.18 (Reference (z); privacy and security rules with respect to documentation of any medical services provided; and any
casualty- and mortuary-related information, including media-neutral life cycle management (i.e., creation, maintenance, use, and disposition) of associated records (electronic or paper).

7. Address measures to ensure media-neutral life cycle management (i.e., creation, maintenance, use, and disposition) of EFA program records (paper and electronic) in accordance with DoDI 5015.02 (Reference (aa)).

8. Address coordination with installation family readiness groups, as appropriate.

(d) Administration and Logistics. This section of the plan shall address:

1. Site and Facility. The EFA plan shall list multiple site options for the delivery of EFA in the event of an all-hazards incident. Site options shall:
   a. Include installation- and community-based options.
   b. Identify primary and secondary locations.
   c. Be accessible, convenient, and secure. Proper security measures, which shall be in place throughout the duration of the emergency response, shall ensure the safety and comfort of individuals served and be coordinated with local law enforcement efforts.
   d. Have adequate space to accommodate an intake area; private areas for the provision of services to families; a briefing room; work centers for EFAC staff; space for the provision of child and youth services; a command center with private meeting space; donation collection area; and space to visually display information for families.

2. Equipment and Technology. The EFA plan shall include equipment and technology requirements, including those that:
   a. Enable the operation of a 24 hours a day, 365 days a year telephone hotline.
   b. Support accountability, assessment, communication, and reporting functions.

3. Supplies. The EFA plan shall include a supply list and actions for accessing required supplies in the event of an all-hazards incident.

4. Transportation. The EFA plan shall include requirements for various types of transportation support.

5. Communications. The EFA plan shall include requirements for regular communication with:
   a. Persons affected by the incident.
b. EFAC staff, volunteers, and other organizations supporting the emergency response effort.

c. Installation emergency operations center.

d. Military Service headquarters.

(e) Procedures. The EFA plan shall include guidelines and procedures for:

1. Referral of individuals for emergency relief supplies and donations.

2. Collection and protection of information obtained from individuals served by the EFAC.

3. Documentation of EFA activities and preparation of an after-action report as required in paragraph 6.e. of this enclosure.

(2) Training. Those responsible for functions in subparagraph 3.l.(1)(c)4. and providers of the services listed in subparagraph 3.l.(1)(c)5. of this section shall be regularly trained on installation EFA plans and procedures.

(3) Education. DoD personnel and their families shall be provided with information on installation emergency response procedures, including location(s) of the EFAC in the event of an incident.

(4) EFA Exercises. EFA plans shall be:

(a) Tested annually as part of installation emergency management exercises in accordance with Reference (I).

(b) Updated annually to address recommendations made in response to installation emergency management exercises, if any.

m. Transition Assistance. Transition assistance services that prepare separating Service members and their families to reenter the civilian work force shall be provided in accordance with DoDD 1332.35 (Reference (ab)).

4. SERVICE DELIVERY

a. Principles. Family readiness service delivery models shall be configured in accordance with the following principles.

(1) Senior military and civilian personnel with direct oversight of family readiness services shall encourage collaboration among family readiness service providers and integrate
services provided through available access points to facilitate Service member and family ability to navigate the FRS.

(2) Family readiness service providers may contact military family members with or without the Service member sponsor’s consent when relaying official information to a family member pertaining to their readiness. Personally identifiable information shall be protected in accordance with Reference (y).

(3) Family readiness service providers shall conduct regular outreach to command representatives, family readiness unit liaisons, Service members and their families, and civilian service providers to:

   (a) Maximize opportunities to work with the command to regularly share official family readiness information (e.g., program and event schedules; family readiness points of contact; location and availability of services) with military families.

   (b) Promote awareness of family readiness services and encourage proactive engagement with the FRS by family readiness unit liaisons, Service members, family members, and civilian service providers.

   (c) Enhance individuals’ ability to easily navigate among the various access points within the FRS.

   (d) Ensure access to services by geographically-dispersed and socially-isolated Service members and their families.

(4) Service delivery shall optimize military-civilian, inter-department and interagency partnership opportunities to:

   (a) Augment services, as appropriate.

   (b) Provide family readiness services to geographically-dispersed and socially-isolated Service members and their families.

   (c) Identify and eliminate duplication of service.

   (d) Promote timely and appropriate referrals of Service members and families to services.

(5) Service delivery shall accommodate an array of service modalities, effectively using technology to improve the capacity of the FRS to provide Service members and their families with easy and rapid access to high-quality information and resources, wherever they reside.

(6) The FRS shall deliver services in a manner consistent with military families’ needs, as indicated through needs assessments in accordance with paragraph 6.a. of this enclosure.
b. **Access Points.** Family readiness access points may include, but are not limited to:

1. **MFSCs.** MFSCs shall:

   a. Be visually conspicuous and conveniently accessible by active duty Service or Reserve Service members and their families and, in accordance with Service implementing guidance, other populations designated by the Secretaries of the Military Departments.

   b. Be designed and furnished in a way that welcomes Service members, their families, and other clients in accordance with Service implementing guidance.

   c. Comply with Unified Facilities Criteria 4-730-01 (Reference (ac)).

2. **RC Family Programs.** RC family programs shall be:

   a. Knowledgeable about DoD-operated and community-based services to link RC families to such services in a timely manner.

   b. Accessible by Service members and their families regardless of activation status.

3. **Joint Family Support Assistance Program (JFSAP).** In accordance with section 675 of Public Law 109-364 (Reference (ad)), the JFSAP shall:

   a. Augment family readiness services provided by the Military Departments by providing services to Service members and their families from all components in all domestic states and territories.

   b. Deliver services through a State or territory-based team that includes a combination of military and family life counselors, child and youth behavioral counselors, personal financial counselors, and MOS consultants.

   c. Target outreach efforts towards Service members and their families who are geographically dispersed from a military installation.

   d. In accordance with applicable law and regulations, collaborate and build relationships with community organizations to enhance the availability of high-quality community-based family readiness services.

   e. Be accessible by all Service members and their families in accordance with Reference (o).

4. **MOS.** MOS shall:

   a. Augment family readiness services provided by the Military Departments by providing information, referrals, and confidential non-medical counseling services.
(b) Be available to Service members and their families 24 hours a day, 365 days a year.

(c) Be accessible by Service members and their families in accordance with Reference (o).

5. Military and Family Life Counselor (MFLC) Program. MFLCs shall:

(a) Augment counseling provided by the Military Departments.

(b) Provide confidential non-medical, short-term, solution-focused counseling and briefings that augment counseling provided by the Military Services.

(c) Be accessible to Service members and their families in accordance with Reference (o).

(6) Medical Command. In accordance with Service implementing guidance, child abuse and domestic abuse prevention and response services may be delivered through the medical command.

5. SERVICE PROVIDERS. FRS providers shall be qualified to provide DoD-operated family readiness services in accordance with standards required in paragraph 6.b. of this enclosure.

a. Training. Family readiness service providers shall receive training, as necessary and in accordance with Service implementing guidance, for the performance of their job responsibilities.

(1) Ongoing employee training and professional development requirements shall be established and monitored to ensure that such requirements are met.

(2) Initial and ongoing training shall include training about the variety of services and supports available to families across the FRS and family readiness service providers’ shared responsibility for the readiness of families served.

b. Supervision. Family readiness service providers shall receive the support and supervision necessary to effectively perform their job responsibilities.

c. Volunteers. Programs to recognize volunteers for their efforts in support of family readiness programs shall be encouraged. Volunteers shall be used in accordance with section 1588 of Reference (j) and DoDI 1100.21 (Reference (ae)).

6. PERFORMANCE MANAGEMENT. A FRS performance management strategy that balances the need for overarching consistency and Service-specificity shall be developed jointly
by the ODASD(MC&FP) and the Military Services to assess elements of cost, quality, effectiveness, utilization, accessibility, and customer satisfaction. The strategy shall include:

a. **Assessment of Needs.** Except where services are mandated by law or other regulation, the content and delivery of family readiness services shall be based on the needs of Service members and their families.

   (1) Assessments of needs shall be designed to determine:

   (a) The types of services needed and who needs them.

   (b) The level at which there is a need, e.g., local, regional, Service-wide, DoD-wide.

   (c) How Service members and families are accessing or prefer to access services.

   (2) Service-wide assessments of needs shall be conducted at least every 3 years pursuant to section 1782 of Reference (j), and a copy of the results shall be forwarded to the ODASD(MC&FP).

b. **Quality Assurance.** To ensure the family readiness services in section 3 of this enclosure meet national standards of quality, they shall be accredited or certified using standards developed by a national accrediting body not less than once every 4 years.

c. **Monitoring.** Personnel from the Military Service Headquarters and the ODASD(MC&FP) shall periodically visit family readiness access points to ensure compliance with this Instruction. These visits may be part of the accreditation and certification process in accordance with paragraph b. of this section and will be coordinated with the Services.

d. **Evaluation.** The impact of family readiness services shall be measured through program evaluation that uses valid and reliable outcome, customer satisfaction, cost, and process measures that are linked to specific and measurable performance goals. Evaluation shall produce both qualitative and quantitative data that are used to inform decisions regarding sustainment, modification or termination of family readiness services.

e. **Reporting.** In accordance with Reference (aa) and paragraphs 2.a. and 7.d(1). of Enclosure 2, the Annual Report on Family Readiness Programs shall be provided by the Military Departments to the ASD(M&RA) through DASD(MC&FP) no later than 15 February annually.

   (1) The ASD(M&RA) and the Services shall identify common reporting elements. In accordance with paragraph b. of this section, accreditation results shall be included in the annual report.

   (2) In the event of an all-hazards incident, EFA activities and lessons learned shall be documented in an after-action report in accordance with Service implementing guidance, and forwarded to the ASD(M&RA).
7. **GOVERNANCE.** Every military installation shall have a FRCC, which shall serve as a forum for cross-organizational review and resolution of individual, family, and installation community issues that impact military family readiness.

   a. **FRCC Chair.** The FRCC shall be chaired by the installation commander or deputy. This responsibility shall not be delegated below the second highest ranking commander. The FRCC is not necessary if an installation committee or council already performs this function, a similar function or whose function could be expanded to cover the FRCC’s responsibilities.

   b. **FRCC Membership.** FRCC members shall include representatives who are full-time or permanent part-time Federal officers or employees from:

      (1) Leadership with oversight of the service areas in section 3 of this enclosure.

      (2) Psychological health.

      (3) DoD Education Activity when there is a DoD-school on the installation and school liaison representatives.

      (4) Chaplaincy.

      (5) Child and youth services.

      (6) Sexual assault prevention and response services.

      (7) Medical.

      (8) Other installation organizations as requested by the installation commander.

   c. **FRCC Role.** The FRCC shall:

      (1) Recommend changes in policy or procedures related to family readiness services outlined in section 3 of this enclosure.

      (2) Facilitate pooling of resources for cross-organizational activities to enhance military family readiness.

      (3) Review the results of needs assessments and program evaluations to assign appropriate follow-up actions, including making recommendations on the sustainment, modification, and termination of services, as appropriate.

      (4) Promote collaboration among helping agencies to identify gaps in service, reduce duplication of effort, and develop and implement internal and external cross-organizational solutions to problems that cannot be resolved by individual organizations or programs.
(5) Collaborate with other components and participate in State boards or coalitions whose mission is to collaborate in support of Service members and their families.

(6) Prioritize and forward, at least semi-annually, to their Service Headquarters, issues that cannot be resolved at the installation level. Promising practices related to the resolution of issues shall be captured by Service Headquarters and shared with the ASD(M&RA) for dissemination to the other Services, as appropriate.
GLOSSARY

PART I. ABBREVIATIONS AND ACRONYMS

ASD(HA) Assistant Secretary of Defense for Health Affairs
ASD(M&RA) Assistant Secretary of Defense for Manpower and Reserve Affairs
CIS computerized information system
DASD(WWCTP) Deputy Assistant Secretary of Defense for Wounded Warrior Care and Transition Policy
DoDD DoD Directive
DoDI DoD Instruction
EFA emergency family assistance
EFAC Emergency Family Assistance Center
EFMP Exceptional Family Member Program
FRCC Family Readiness Coordinating Committee
FRS family readiness system
I&R information and referral
JFSAP Joint Family Support Assistance Program
MFLC Military and Family Life Counselor
MFSC Military and Family Support Center
MHS Military Health System
MOS Military OneSource
MWR morale, welfare, and recreation
ODASD(MC&FP) Office of the Deputy Assistant Secretary of Defense for Military Community and Family Policy
PCS permanent change of station
PFM personal financial management
RC Reserve Component
SECO Spouse Education and Career Opportunities
USD(P&R) Under Secretary of Defense for Personnel and Readiness
PART II. DEFINITIONS

Unless otherwise noted, these terms and their definitions are for the purposes of this Instruction.

access point. A vehicle through which Service members and their families can access family readiness information, services and referrals.

accredited. Verification that family readiness services have been assessed by a national accrediting body and meet the standards of quality established by that body.

all-hazards. Defined in Reference (l).

certified. Verification that family readiness services have been internally assessed by the organization providing such services and meet the standards of quality established by a national accrediting body.

dependent. Defined in section 401 of title 37, U.S.C. (Reference (af)).

deployment. Defined in the DoD Dictionary of Military and Associated Terms (Reference (ag)).

extended absence financial plan. A plan developed by a Service member prior to deployment, specifying the following for the period of the absence: legal power of attorney to accomplish personal and financial requirements, a plan for meeting financial obligations, disposition of car and auto insurance, allotments by appropriate monthly expenditures, and disposition of other financial issues that might occur during the period of absence.

family member with special needs. A family member with special medical or educational needs who meets the criteria established in DoDI 1315.19 (Reference (ah)).

family readiness. The state of being prepared to effectively navigate the challenges of daily living experienced in the unique context of military service. Ready individuals and families are knowledgeable about the potential challenges they may face; equipped with the skills to competently function in the face of such challenges; aware of the supportive resources available to them; and make use of the skills and supports in managing such challenges. Includes mobility and financial readiness, mobilization and deployment readiness, and personal and family life readiness. This term and its definition are proposed for inclusion in the next edition of Reference (ag).

family readiness unit liaison. An official command-sponsored individual, who provides liaison between Service members and their families and the command, promoting a culture of mutual support and communication.

formal network. A network that reflects the policies and systems operating under military or civilian authority as instruments of socialization and support.
FRCC. An installation-level coordinating body that meets to conduct cross-organizational review and resolution of individual, family, and installation community issues that impact military family readiness.

FRS. The network of agencies, programs, services, and individuals, and the collaboration among them, that promotes the readiness and quality of life of Service members and their families.

FRS director. The individual at the local level who is responsible for the management of the FRS.

informal network. The associations, interactions, exchanges, and connections that people and families make in everyday life, including group associations and less organized networks of personal and collective relationships.

MFSC. An installation based facility that provides family readiness services at installations with 500 or more Service members assigned.

military family. A group composed of one Service member and spouse; Service member, spouse and such Service member’s dependents; two married Service members; or two married Service members and such Service members’ dependents. To the extent authorized by law and in accordance with Service implementing guidance, the term may also include other nondependent family members of a Service member.

military community. Service members, military families, military leadership, and military and civilian family readiness service providers.

mobility and financial readiness. The state of being prepared to successfully meet financial obligations and manage the challenges of the mobile military lifestyle.

mobilization and deployment readiness. The state of being prepared for the challenges of mobilization and deployment, to cope with changes in operational tempo, to address personal and family emergencies and stress in the absence of a deployed family member and to access appropriate services and support in the event of military service-related injury, illness, or death.

non-clinical case management. The provision of I&R to families and individuals to assist them in making informed decisions and navigating the resources they need to improve their quality of life. This may include I&R for medical, educational, social, community, legal, and financial services. This does not involve coordination and follow-up of medical treatments.

non-medical counseling. Defined in Reference (p).

operational readiness. Defined in Reference (ag).

outreach. Systematic efforts to make contact with members of the military and civilian communities outside of established family readiness access points.
personal and family life readiness. The state of being prepared to cope with the stressors of daily living and manage the competing demands of work life and personal and family life.

respite care services. Services that provide temporary relief to military family members who are responsible for the regular care of dependent family members with special needs.

sense of community. The degree to which Service members and their families feel positively attached to the military as an organization and view the military community as a source of support and connection to others.

Service member. Any member of a Military Service in the Active Component or RC.
COMMANDANT INSTRUCTION 1740.8A

Subj: COAST GUARD PERSONAL FINANCIAL MANAGEMENT PROGRAM

Ref: (a) National Defense Authorization Act for Fiscal Year 2016, Subtitle F, Sec. 661
(b) Discipline and Conduct, COMDTINST M1600.2 (series)
(c) Use of Non-Governmental Educational Material and Presenters, COMDTINST 1740.3 (series)
(d) Transition Assistance Program, COMDTINST 1900.2 (series)
(e) Servicemembers Civil Relief Act, 50 U.S.C. § 501-596
(f) Information and Life Cycle Management Manual, COMDTINST M5212.12 (series)
(g) Standards of Ethical Conduct, COMDTINST M5370.8 (series)

1. PURPOSE. This Instruction establishes policy and guidance for the Personal Financial Management Program (PFMP) and prescribes associated responsibilities of various organizational components.

2. ACTION. All Coast Guard unit commanders, commanding officers (COs), officers-in-charge (OICs), deputy/assistant commandants, and chiefs of headquarters staff elements must comply with the provisions of this Instruction. Internet release is authorized.

3. DIRECTIVES AFFECTED. Coast Guard Personal Financial Management Program, COMDTINST 1740.8, dated 2 April 2015, is cancelled.

4. DISCUSSION.

a. Financial concerns can be a major stressor for Coast Guard service members and their families. Many studies and needs assessments show financial problems have a direct impact on military mission readiness. Furthermore, failure to appropriately manage personal finances can seriously impact an individual’s mental health and physical well-being, and those who experience serious financial problems can experience a number of negative consequences such as, revoked security clearance, military discharge, and criminal sanctions to name a few.
b. This policy implements specific requirements to ensure Coast Guard service members and their families have access to the financial information and resources needed to develop individual strategies to address economic challenges, meet personal goals, and achieve financial security.

5. DISCLAIMER. This policy is intended to provide operational guidance for Coast Guard personnel and is not intended to, nor does it impose, legally binding requirements on any party outside the Coast Guard. It is not a substitute for applicable legal requirements, nor is it itself a rule.

6. MAJOR CHANGES. This Instruction reflects the following changes:

a. Introduction of the role of Personal Financial Managers (PFMs) which is to provide financial education & training; financial counseling; and information and referrals across the Coast Guard;

b. National Defense Authorization Act for Fiscal Year 2016, Reference (a) has been added to the instruction as this law has expanded the scope of financial literacy;

c. Each command with active duty and Selected Reserves (SELRES) personnel with at least 25 personnel assigned must have a trained Command Financial Specialist (CFS) and commands must maintain a ratio of one Command Financial Specialist (CFS) to every 75 members assigned;

d. The CFSs must maintain open communication with the Health, Safety, and Work-Life Regional Practice (HSWL-RP) Personal Financial Managers (PFMs) and provide monthly updates of CFS contacts, classes and financial trends to PFMs in their area of responsibility (AOR).

7. ENVIRONMENTAL ASPECT AND IMPACT CONSIDERATIONS.

a. The development of this Instruction and the general policies contained within it have been thoroughly reviewed by the originating office in conjunction with the Office of Environmental Management, Commandant (CG-47). This Instruction is categorically excluded under current Department of Homeland Security (DHS) categorical exclusion (CATEX) A3 from further environmental analysis in accordance with "Implementation of the National Environmental Policy Act (NEPA)", DHS Instruction Manual 023-01-001-01 (series).

b. This Instruction will not have any of the following: significant cumulative impacts on the human environment; substantial controversy or substantial change to existing environmental conditions; or inconsistencies with any Federal, State, or local laws or administrative determinations relating to the environment. All future specific actions resulting from the general policy in this Instruction must be individually evaluated for compliance with the National Environmental Policy Act (NEPA), Department of Homeland Security (DHS) and Coast Guard NEPA policy, and compliance with all other applicable environmental mandates.

9. **RECORDS MANAGEMENT CONSIDERATIONS.** This Instruction has been evaluated for potential records management impacts. The development of this Instruction has been thoroughly reviewed during the directives clearance process, and it has been determined there are further records scheduling requirements, in accordance with Federal Records Act, 44 U.S.C. 3101 et seq., National Archives and Records Administration (NARA) requirements, and the Information and Life Cycle Management Manual, COMDTINST M5212.12 (series). This policy does not have any significant or substantial change to existing records management requirements.

10. **POLICY.**

   a. Coast Guard service members are responsible for their personal finances and are expected to pay legal financial obligations in a proper and timely manner in accordance with Reference (b).

   b. COs, OICs and staff can use non-government, non-commercial, tax-exempt Personal Financial Management educational material and presenters as long as the non-federal organization and its educational material have been approved by Commandant (CG-111) in accordance with Reference (c).

11. **PROCEDURES.**

   a. The PFMP services must:

      (1) Support COs and OICs in maintaining personal financial readiness to sustain unit mission readiness. Commanding officers will ensure that assigned personnel have access to financial counseling and financial education.

      (2) Utilize PFMs, CFSs, and the CG SUPRT Personal Financial Wellness Program to provide financial education & training; financial counseling; and information and referrals across the Coast Guard;

      (3) Promote personal readiness and retention in the Coast Guard;

      (4) Ensure that financial literacy is available at personal and professional touchpoints across the military lifecycle, beginning with recruit and officer accessions training and continuing throughout a service member's career and transition to civilian life.

   b. The PFMP consists of the following elements:

      (1) Education and Training.

      (a) Education and training is designed as a continuum of service, provided as a component of the service member’s initial entry orientation training and consist of training across the military life cycle.

      (b) At a minimum, mandatory training of basic personal financial skills must be provided to service members at their first permanent duty station. The PFMs will schedule appropriate workshops based upon the requests or needs of the command.
(c) In accordance with Reference (a), financial literacy training and preparedness must be provided at these touchpoints:

1) Initial Entry Training
2) Arrival at First Duty Station
3) Arrival at Subsequent Duty Station for paygrade E-4 or below and O-3 or below
4) Date of Promotion for E-5 or below, and O-4 or below
5) Vested in the Thrift Savings Plan
6) Entitled to Receive Continuation Pay
7) At Major Life Events: marriage, divorce, birth or adoption of child, or disability
8) During Leadership Training
9) During Pre-and Post-Deployment Training
10) Transition from Active Component to Reserve Component
11) Separation from Service
12) Retirement

(d) Service members assuming a leadership role must be provided information and resources on policies and practices designed to educate and protect service members, including those governing commercial solicitations as outlined in Reference (c).

(e) Prior to separation and retirement, service members are mandated in Reference (d) to obtain the necessary tools to assist in the development of the financial aspects of their individual transition plan and to generate a post-transition budget to achieve those goals.

(f) The PFMAs are encouraged to coordinate with their servicing Transition and Relocation Managers and facilitate the financial planning brief for transitioning service-members. If the Coast Guard PFMAs are unavailable, the financial planning brief can be conducted using PFMAs from other military installations, the Joint Knowledge Online (JKO) program, or approved non-governmental organizations that are listed in Reference (c).

(g) PFMAs must use the Department of Defense (DOD) approved curriculum for conducting the financial planning brief.
(2) Counseling.

(a) The PFMs, unit CFSs, and CG SUPRT Personal Financial Wellness Money Coaches are the primary sources of financial counseling.

(b) One-on-one assistance by the approved financial educators listed above is available to all service members and families to provide assistance evaluating individual or family income, expenditures, and indebtedness; make recommendations for short-term, and long-term actions necessary to achieve personal financial goals; and, support individual and operational readiness. Assistance with consumer protections information, complaint resolution, and complaint reporting is also provided based upon the needs of the service member.

(c) Prior to all deployments, service members are encouraged to establish an extended absence financial plan. Support will be offered in the development of such plans by PFMs, CFSs, or CG SUPRT Personal Financial Wellness Money Coaches.

(3) Information and Referral. Information and referral, provided by PFMs, CFSs, and CG SUPRT Personal Financial Wellness Money Coaches will, at a minimum, address:

(a) Money management, which includes information on topics such as savings and banking, budgeting, credit management, debt management, and making prudent consumer purchases.

(b) Financial management planning, which includes basic information on topics such as investing, taxes, insurance, education, wills and trusts, transition/retirement, and, information on how to evaluate and select assistance with in-depth financial planning needs.

(c) Legal affairs information and referral on topics such as estate planning, power of attorney, predatory lending, compliance with the Military Lending Act and the Servicemembers Civil Relief Act, 50 U.S.C. § 501-596, Reference (e).

(d) A general overview of consumer advocacy and complaint resolution, and reporting assistance, in coordination with appropriate authorities.

(4) Command Financial Specialist (CFS) Program. Each CO or OIC must provide financial education and training, information and referral services to command and unit members. Each command with active duty, SELRES members, and detachments that has at least 25 personnel assigned, must have a trained CFS to coordinate the program and to assist the CO or OIC in fulfilling this expectation. Commands with detachments will ensure their designated CFS provides financial education, training, information and referral services to all assigned members. Commands must maintain a ratio of one CFS to every 75 members assigned. Commands having fewer than 25 personnel are encouraged to have a trained CFS. If not feasible, commands with fewer than 25 personnel may arrange for another command to provide CFS services by written agreement.
(a) The CFS designation remains in effect until: the CFS transfers into another unit; their CFS certification expires; or their designation is rescinded in writing.

(b) When more than one CFS is assigned, units may designate one as a lead CFS and the others as Assistant Command Financial Specialist (ACFS). The ACFS serves as a backup to the primary or lead CFS. Service members assigned as CFSs or ACFSs must follow the same CFS criteria established in the CFS, Qualifications, Functions, And Training, Enclosure (1).

(5) Outreach.

(a) Relevant PFM information must be issued or published regularly in Coast Guard internal media to raise awareness of PFM concerns and assistance available to Coast Guard personnel and their families.

(b) Family members, such as spouses and children are also encouraged to participate in PFMP services.

(6) Collaboration and Coordination.

(a) To maximize the use of existing Coast Guard resources, commands and individual members should first seek PFMP services from command-based financial readiness service providers, such as, PFMs and CFSs or other Coast Guard sponsored financial readiness assets such as, the CG SUPRT Personal Financial Wellness Program, and Coast Guard Mutual Assistance (CGMA).

(b) When Coast Guard resources are not available, commands and units should partner and build relationships with DoD PFMs and other federal organizations.

(c) When financial institutions (such as, banks and credit unions), operating on Coast Guard bases, in Coast Guard federal buildings, and other non-governmental organizations are used to provide financial education, they must comply with the conditions set forth in Reference (c).

(d) When a non-government organization is utilized for financial services, Coast Guard service providers, such as, HSWL-RP PFMs, and CFSs must monitor them throughout the duration of their presentation to ensure compliance with Reference (c).

(7) CG SUPRT Personal Financial Wellness Program. The CG SUPRT Personal Financial Wellness Program augments PFMP services provided by the PFMs by providing information, referrals, onsite classes, webinars, and confidential money coaching.

12. RESPONSIBILITIES.

a. Commandant (CG-11). The Director of Health, Safety, and Work-Life must promulgate policy and guidance regarding the PFMP.
b. Commandant (CG-111). The Office of Work-Life must develop program policy; promote program management efforts with the active duty, SELRES, and civilians; and, provide funding for the approved activities of the PFMP. In addition, Commandant (CG-111) must support the initiation of collaborative efforts between Coast Guard units and DOD, and with other federal, state, and local agencies, including both public and private, to ensure maximum awareness of resources for family support services to our members and their families.

c. Commandant (CG-1112). The Family Services Division must provide oversight for the PFMP

d. PFM Program Manager, assigned to Commandant (CG-1112) must:

(1) Develop policy and provide programmatic oversight for the PFM Program, to include collaboration with program compliance.

(2) Manage the program, maintain program elements and materials, and ensure effectiveness through periodic review and update.

(3) Set program quality assurance priorities and attend at least one annual site visit;

(4) Resource the PFMP to provide training materials, website maintenance, marketing materials, and CFS program support, to include training and travel expenses within budgetary constraints.

(5) Develop an outreach and marketing plan to educate commands, service members, and their families about the PFMP.

(6) Utilize military and authorized civilian resources in support of the program. Where practical, partner with DoD Service PFM program managers (Army, Air Force, Navy, Marine Corps, and National Guard) in sharing program materials, curricula, and other resources to maximize the efficiency and effectiveness of the Coast Guard PFMP.

(7) Provide direct technical guidance to HSWL-SC and HSWL-RP staffs relevant to PFMP;

(8) Prepare reports and maintain data regarding the PFMP service-wide in collaboration with HSWL-SC

(9) In collaboration with the HSWL-SC staff, develop standardized briefing materials to facilitate education on PFMP issues for senior Coast Guard leaders, relevant personnel to include unit commanders, chaplains and HSWL-RP staff (such as, Family Resource Specialists, Family Advocacy Specialists, Child Development Services Specialists, and medical staff).

(10) Participate in the interview and selection process of the PFMP staff at HSWL-SC and HSWL-RP.
e. HSWL Service Center (SC) must:

(1) Provide direct oversight to HSWL-RPs and PFMs to ensure implementation of the PFMP in accordance with this Instruction.

(2) Manage program funding to HSWL-RPs for travel in accordance with existing budget models. Provide budget input for training, materials, outreach, and marketing.

(3) Collaborate with Commandant (CG-1112) to develop and implement Standard Operating Procedures (SOPs) and ensure policy and program updates are communicated to HSWL Regional Managers (RMs) and PFMs.

(4) Initiate, develop, oversee, outreach, and evaluate education and training programs for the PFMP.

(5) In collaboration with Commandant (CG-1112), develop standardized briefing materials, design training materials, curricula, and other resources that assist in the effectiveness of the Coast Guard PFMP and meets the requirements as defined in Reference (a).

(6) Resolve technical and administrative problems by changes in doctrine concepts, schedules, technology, facilities and methods.

(7) In collaboration with Commandant (CG-1112), conduct Quality Assurance (QA) Inspections of the PFMP with emphasis on program quality assurance priorities, policy compliance and customer satisfaction;

(8) Identify best practices through QA visits, training feedback, and surveys of PFMs in the field and make recommendations for standardization of these practices through regular policy recommendations or SOP updates.

(9) Identify gaps between PFMP practices and existing policy directives.

(10) Gather and maintain PFMP data for operational and programmatic reporting.

(11) Participate in the interview and selection process of the HSWL-RP PFMP staff.

f. HSWL-RMs must:

(1) Ensure the Personal Financial Manager (PFM) maintains position qualifications as required in the PFM’s position description.

(2) Include the PFM duties in the Coast Guard performance management forms.

(3) Ensure designated funding for PFMP supports: up to 50% travel; PFMs hosting up to six CFS classes a year to include curriculum materials; allocate resources to support the RP CFS program; CFS Train the Trainer program; and, outreach within their Area of Responsibility (AOR).

(4) Use the applicable QA reports to assist in performance management of the PFMP.
g. HSWL-RP PFM must:

1. Maintain Accredited Financial Counselor (AFC®) certification and ensure the requirements to maintain these credentials are met.

2. Provide personal financial counseling to Coast Guard active duty, reservists, civilians and their family members.

3. Ensure confidentiality and privacy of information during financial counseling. Files, records, and recordings that contain personal financial information will not be maintained per Reference (f).

4. Manage the CFS Program to include:
   (a) Maintain CFS certificates and tracking for CFS assigned in PFMs AOR.
   (b) Provide and facilitate initial and refresher training as needed for the CFS program.

5. Provide financial education, training, information, and referrals to Coast Guard personnel and their families.

6. Schedule and coordinate with HSWL-SC and CG SUPRT to provide Personal Financial Wellness classes.

7. Facilitate the personal financial planning portion of the Transition Assistance Program (TAP) presentation, when feasible, and assist transitioning service members with completing a spending plan.

8. Collaborate with other PFMs, CFSs, and CG SUPRT Money Coaches service-wide as needed.

9. Foster and establish working relationships with PFM representatives from DOD, other government, approved non-government, and non-profit agencies within their AOR.

10. Liaison with financial institutions, such as banks and credit unions, operating on Coast Guard bases and in Coast Guard federal buildings to encourage military and family awareness and the use of local PFM counseling and information services. Nongovernmental agencies must comply with Reference (c).

11. Maintain working knowledge of all References indicated within this Instruction.

12. Track and report PFM related data using the HSWL-SC provided metric’s tool.

13. PFMs must disclose outside financial related employment and activities that may conflict with official PFM duties as defined in Reference (g) as they occur to HSWL-SC and CG Ethics offices.
h. Command Chaplains and Command Master Chiefs (CMC) must:

(1) Promote the use of the PFMP, when appropriate, to Coast Guard personnel and their families.

(2) Serve as a conduit for PFMP resources.

i. Coast Guard Area, District, Sector and Base commanders, the Superintendent of the Coast Guard Academy and other CO and OICs having 25 or more personnel assigned must:

(1) Designate CFSs in writing, Enclosure (2) provides a sample designation letter;

(2) When more than one CFS is assigned, units may designate one as a lead CFS and the others as ACFS, who may serve as a backup to the primary or lead CFS. The ACFSs must meet the same qualifications, functions, and training requirements listed in Enclosure (1) when operating in the role of CFS;

(3) Meet with the lead CFS to discuss the most requested and relevant Personal Finance topics or issues in the AOR as needed;

(4) Ensure compliance with the provisions of this Instruction and associated References, see Enclosure (1) which provides qualifications, functions, and training for CFSs;

(5) Ensure in all cases of financial mismanagement, such as, letters or complaints of indebtedness or security clearance issues, service members receive financial counseling from a HSWL PFM, DoD Family Center PFM specialist, or CG SUPRT Personal Financial Wellness Money Coach;

(6) Designate a command representative or the HSWL PFM as the point of contact to assist with requests from organizations seeking to become a qualified organization that provides educational support and materials. Ensure the command representative or HSWL PFM attends all programs presented, and any incidents of non-compliance are reported to Commandant (CG-111) in accordance with Reference (c);

(7) Permit and encourage unit ombudsmen to attend PFM trainings to raise their awareness of the financial challenges faced by Coast Guard service members and broaden their knowledge of available resources;

(8) Ensure that personnel assigned are financially educated, trained, or counseled at the below touchpoints in accordance with Reference (a):

1) Initial Entry Training

2) Arrival at First Duty Station

3) Arrival at Subsequent Duty Station for paygrade E-4 or below and O-3 or below

4) Date of Promotion for E-5 or below, and O-4 or below

5) Vested in the Thrift Savings Plan
6) Entitled to Receive Continuation Pay
7) At Major Life Events: marriage, divorce, birth of child, or disability
8) During Leadership Training
9) During Pre-and Post- Deployment Training
10) Transition from Active Component to Reserve Component
11) Separation from Service
12) Retirement

j. CFS must:
   (1) Report to command cadre to assume CFS responsibilities. Enclosure (1) of this Instruction lists basic CFS qualification, functions and training requirements.
   (2) Report all individual CFS training to unit training officer.
   (3) Provide financial education, training, basic budgeting, and information and referral. If appropriate, refer to the servicing PFM for additional information and resources.
   (4) Not maintain files, records, notes, or recordings that contain personally identifying information (PII), or financial information of individuals they assist.
   (5) Prior to transfer provide: an out-brief to the newly-designated CFS on pertinent issues impacting the command, frequently used resources, and notification of CFS credentials to receiving command.
   (6) Meet with command leadership to ensure PFMP issues and trends are communicated as needed.
   (7) Provide written monthly updates of CFS contacts, classes and financial trends to HSWL-RP PFM. Self-report a minimum of four activities using the Quarterly Activity Report Form provided by the PFM each quarter. Activities may be a combination of one-on-one financial counseling, Personal Financial Training, or presentations.
   (8) Attend at least 2 quarterly CFS forums per year coordinated by PFMs via town hall or other methods to share best practices and address financial-related questions.

k. Coast Guard Service Members, SELRES, and civilians should:
   (1) Become familiar with PFMP policies, objectives, and resources.
   (2) Make responsible financial decisions on a day-to-day basis.
(3) Prepare for the financial management of personal responsibilities prior to departing on an extended absence and transition from service (i.e., separation or retirement).

13. DEFINITIONS. Terms used in this Instruction are defined in Enclosure (4).


15. REQUEST FOR CHANGES. Units and individuals can recommend changes by email via their chain of the command to Commandant (CG-1112).

/D. L. THOMAS/
Rear Admiral, U.S. Coast Guard
Director, Health, Safety and Work-Life

Encl: (1) Command Financial Specialist (CFS): Qualifications, Functions, and Training
     (2) Sample Command Financial Specialist Letter of Designation
     (3) Sample Assistant Command Financial Specialist Letter of Designation
     (4) Definitions
COMMAND FINANCIAL SPECIALIST (CFS):
QUALIFICATIONS, FUNCTIONS, AND TRAINING

1. **Qualifications.** The CFS functions as the command or unit’s principal advisor on policies and matters related to Personal Financial Management (PFM). The following qualifications apply:

   a. Coast Guard service members in pay grade E-6 and above (including officers), as well as E-5s with more than 6 years of active duty service, may be appointed as a CFS. Medium and large commands are strongly encouraged to have an officer(s) serve as and lead their CFS program. Commands can request a waiver for E5 Personnel with less than 6 years of service to become a CFS under certain conditions. Enclosure 4 provides an example of a waiver request. Coast Guard civilians are not authorized to become a CFS. The Commandant (CG-1112), PFM Program is established as the single point waiver authority for commands seeking to appoint a CFS at the E-5 level. Waivers will not be granted below E-5. Such requests must contain, at a minimum:

      (1) Command or unit rank demographics; including information indicating the absence of senior personnel meeting established criteria.

      (2) Certification of the designated member’s qualifications

   b. Highly motivated and financially stable individual. This is defined as someone without any security clearance issues and does not have any complaints of indebtedness.

   c. Successfully completed the authorized Navy or Coast Guard CFS training course.

      (1) Upon completion of the CFS training course, work with Admin or Training Officer to have CFS designation placed in Direct Access.

   d. Have at least one year remaining in the command or unit at the time of CFS course completion.

   e. Participate in continuing education (periodic professional PFM classes), as resources permit.

   f. Attend CFS refresher training at least every three years.

2. **Functions.** At the completion of formal training, the CFS must be able to perform the following functions:

   a. Assist the command or unit in establishing, organizing, and administering the command PFMP, including a thorough “pass down” presentation to the incoming CFS.

   b. Provide financial education, training, basic budgeting, and information and referral.

   c. Disseminate PFMP information within the command or unit through a variety of forums, for example, newsletters, email, and social networks as needed.
d. Maintain current PFM resource information, references, and training materials for use in trainings. In addition, CFSs must maintain close liaison with the Health, Safety, and Work-Life (HSWL) Personal Financial Managers (PFM).

e. Prevent the creation and maintenance of files, records, notes, or recordings that contain personal financial information of assisted individuals.

f. For members with extensive financial problems, such as overextended debt to income ratio, potential bankruptcy, security clearance challenges, foreclosure, and requesting emergency relief assistance; refer them to the appropriate resource or agency capable of providing necessary assistance or counseling such as PFM, CG SUPRT Financial Wellness Program, CGMA National Foundation of Credit Counseling, DoD Family Center PFM staff, or other approved resources.

g. Follow-up with referred individuals to ensure the appropriate resources, referrals, and assistance were received. Report quarterly to CO or XO the CFS activity (referrals and training) conducted at their command or unit.

h. Provide written monthly updates of CFS contacts, classes and financial trends to their HSWL-RP PFM. Self-report a minimum of four activities using the Quarterly Activity Report Form each quarter. Activities may be a combination of one-on-one financial counseling or Personal Financial Management Training or presentation.

i. Attend at least 2 quarterly CFS forums per year, coordinated by PFM via town hall, or other methods to share best practices and address any financial-related questions.

j. Selected CFSs may also be nominated by HSWL PFM to obtain the CFS Train-the-Trainer (TTT) certification which allows them to co-facilitate CFS Training and the one-day CFS refresher.
SAMPLE COMMAND FINANCIAL SPECIALIST
LETTER OF DESIGNATION

5216
8 Sept 2020

Digital Signature
From: Commanding Officer/Officer in Charge
To: Rank, Name
Subj: DESIGNATION AS COMMAND FINANCIAL SPECIALIST (CFS)
Ref: (a) Coast Guard Personal Financial Management Program, COMDTINST 1740.8 (series)

1. In accordance with Reference (a) you are designated as the (Command Name) CFS. You will familiarize yourself with policies and procedures of Reference (a) and other applicable Personal Financial Management program elements in the performance of your duties.

2. In your capacity as CFS, you will report directly to the Commanding Officer or Officer-in-Charge or their representative. You will maintain open communication with the Health, Safety, and Work-Life (HSWL) Personal Financial Managers (PFM). You are to complete the information requested below and forward copies of the Designation Letter by E-Mail or fax, as indicated. This designation remains in effect until rescinded in writing or when you transfer to another unit. The CFS credential is active for three years after CFS course completion (unless refresher training is completed and documented), whichever occurs first.

Name/Rank of CFS:

Date of Designation:
Date Completed CFS Course:
Global E-Mail Address:
Location of HSWL-RP:

I accept the designation of the (Command Name) CFS.

______________________________
Member Signature

Copy: HSWL-RP PFM
       HSWL-SC
Digital Signature  
From: Commanding Officer or Officer in Charge  
To: Rank, Name  
Subj: DESIGNATION AS ASSISTANT COMMAND FINANCIAL SPECIALIST (ACFS)  
Ref: (a) Coast Guard Personal Financial Management Program, COMDTINST 1740.8 (series)  
  
1. In accordance with Reference (a) you are designated as the (Command Name) ACFS. You will familiarize yourself with policies and procedures of Reference (a) and other applicable Personal Financial Management program elements in the performance of your duties.  

2. In your capacity as CFS, you will report directly to the Commanding Officer or Officer-in-Charge or their representative. You will maintain open communication with the Health, Safety, and Work-Life (HSWL) Personal Financial Managers (PFM). You are to complete the information requested below and forward copies of your Designation Letter by E-Mail or fax as indicated. This designation remains in effect until rescinded in writing or when you transfer to another unit. The CFS credential is active for three years after CFS course completion (unless refresher training is completed and documented), whichever occurs first.  

Name/Rank of ACFS:  
Date of Designation:  
Date Completed CFS Course:  
Global E-Mail Address:  
Location of HSWL-RP:  

I accept the designation of the (Command Name) ACFS.  

Member Signature  

Copy: HSWL-RP PFM  
HSWL-SC
SAMPLE COMMAND FINANCIAL SPECIALIST
WAIVER REQUEST FOR COMMAND FINANCIAL SPECIALIST

5216
8 Sept 2020

Digital Signature
From: Commanding Officer or Officer in Charge
To: Joi Tann, GS13
PFM Program Specialist
Subj: WAIVER REQUEST FOR COMMAND FINANCIAL SPECIALIST (CFS)
Ref: (a) Coast Guard Personal Financial Management Program, COMDTINST 1740.8A (series)
(b) United States Navy Personal Financial Management Program, OPNAVINST 1740.5D (series)

1. Per references (a) and (b), I request a waiver on behalf of YN2 Jamie Doe to function as a CFS at USCG COMMAND NAME. YN2 Doe will be attending the Command Financial Specialist (CFS) course from Month10-14, 2020 held at USCG or USN/LOCATION OF CLASS.

2. YN2 Doe is a mature, highly motivated and financially stable petty officer. He has no outstanding or unresolved letters of indebtedness. This Command has not received any complaints of money mismanagement from any creditors. John Doe has a degree in finance and has 3 years of experience on the Coast Guard Mutual Assistance Board as a Finance Committee Member. This education and experience makes him a good candidate for command CFS.

3. YN2 Doe reported to USCG COMMAND NAME at the end of August 2020 and therefore will have more than one year left at the command upon completion of the CFS course.

4. Due to high OPTEMPO and frequent deployments, there are not enough qualified E-6 personnel to serve as CFS. There is currently one CFS at USCG COMMAND NAME who will rotate next month.

#
DEFINITIONS

1. **Extended Absence Financial Plan.** A plan developed by a service member prior to deployment, specifying the following for the period of the absence: legal power of attorney to accomplish personal and financial requirements, plan for covering financial obligations, disposition of insurance (auto, life, home), allotments for appropriate monthly expenditures, and disposition of other financial issues that might occur during the period of absence.

2. **Financial Planning and Counseling.** The act of evaluating an individual’s or family’s income and expenditures and recommending short-term and long-term actions to achieve financial goals and ensure individual, family and mission readiness.

3. **Personal Financial Management.** The process (or steps) involved in managing one’s personal finances, including income, expenses, and investments, for an individual or family.

4. **Personal Financial Readiness.** Adequately preparing for the management of personal responsibilities prior to departure on an extended absence, including family matters and potential family contingencies, personal finances, personal property, and, other personal obligations that can and do arise during one’s career life cycle. Also, includes prudent day-to-day management of personal finances, including financial planning (budgeting), saving and investing, consumer awareness, and debt or credit management.
Service-Specific Indebtedness Policy

Appendix B
INDEBTEDNESS AND FINANCIAL RESPONSIBILITY OF MEMBERS

| Responsible Office | NAVPERSCOM (PERS-832) | Phone: DSN 882-4427 | Phone: COM (901) 874-4427 | Phone: FAX 882-2624 |

References:
(a) 42 U.S.C. 659
(b) 15 U.S.C. 1601
(c) 12 CFR 226, Federal Reserve Board Regulation Z
(d) DOD 7000.14R, DOD Financial Management Regulation, Volume 7A, Military Pay Policy and Procedures Active Duty and Reserve Pay
(e) JAGINST 5800.7, Manual of the Judge Advocate General (JAGMAN)

1. **Policy.** Members of the Naval Service are expected to pay their just debts and financial obligations in a proper and timely manner. The Navy is without legal authority to require a member to pay a private debt, or to deduct any part of their pay to reimburse the creditor even if the indebtedness has been reduced to judgment by a civil court, unless the member’s pay is to be garnished to provide child support or alimony under reference (a).

2. **Enforcement of Private Obligations**

   a. The enforcement of private obligations is a matter for civil authorities. A commanding officer (CO) is without authority to adjudicate claims or to arbitrate controversies concerning debts or private obligations of naval members, or to act as an agent or collector. Members of the Naval Service are not, by virtue of their military status, relieved from continuing obligations to obey pertinent civil laws or to comply with the terms of applicable civil court orders, decrees, or judgments; however, the **Servicemembers Civil Relief Act**, as amended, provides for certain privileges and benefits for members of the Naval Service.

   b. The extent to which COs may cooperate with creditors is limited to administrative referral of correspondence to the member. The CO shall ensure the member communicates their intentions regarding the creditor. Under the **Fair Debt**
Collection Practices Act (reference (b)), contact by a debt collector with third parties, such as COs, for the purpose of aiding debt collection is prohibited without prior concurrence of the debtor, or without a court order. Claims for support of family members or claims by the Federal, State, or Municipal Governments are not limited by this section.

3. **Creditor’s Obligations**

   a. The following requirements should be met by creditors prior to assistance in collecting debts:

   (1) Creditors subject to reference (c), and assignees claiming thereunder, shall submit, with their request for debt processing assistance, an executed copy of the Certificate of Compliance and a true copy of the general and specific disclosures provided the member as required by the Truth-in-Lending Act. Reference (b) pertains.

   (2) A creditor not subject to reference (c), such as a public utility company, shall submit a certification that no interest, finance charge, or other fee is in excess of that permitted by the law of the State from which the obligation was incurred under reference (c), section 226.3 of Regulation Z.

   (3) A foreign-owned company having debt complaints shall submit with its request a true copy in English of the terms of the debt and shall certify that it has subscribed to the Standards of Fairness.

   (4) Credit unions chartered to serve DOD personnel, but operating off military installations, banks and credit unions operating on military installations, and bank branches operating on military installations shall conform to the Standards of Fairness. Relative to this requirement, the Truth-in-Lending Act prescribes the general disclosure requirements which must be met by those offering or extending consumer credit, and reference (c) prescribes the specific disclosure requirements for open-end and installment credit transactions. In lieu of Federal requirements, State regulations apply to credit transactions when the Federal Reserve Board has determined that State regulations impose substantially similar requirements and provide adequate enforcement measures. Regulations of the Federal Reserve Board should be checked to determine whether Federal or State laws and regulations govern.
b. These requirements of certification do not extend to

(1) claims of companies furnishing services such as newspapers and similar services where credit is extended solely to facilitate the service, as distinguished from inducing the purchase of the product or service; or

(2) claims by accommodation endorsers, co-makers, or lenders against the party primarily liable on obligations not intended to benefit the accommodating party, through payment of interest or otherwise; contracts for the purchase, sale, or rental of real estate; claims in which the total unpaid amount does not exceed $50.00; claims for support of family members (guidance found in reference (d), chapter 50 (FMR)); claims based on a revolving or open-end credit account if the account shows the periodic rate and its annual rate equivalent and the balance to which it is applied to compute the charge; or purchase money liens on real property (does not include liens on real property and related obligations such as those which represent obligations for improvement or repair).

4. Commanding Officer’s (CO’s) Obligations. The CO shall ensure members of their command are instructed in financial responsibility, suggested via the command’s General Military Training (GMT) program. Disinterested third party counseling (financial counselor) should be made available by each command to assist members with their financial concerns or problems. Training should help to emphasize the following:

a. Thrift is not only a virtue, but for most people, a necessity.

b. The way in which one handles their private financial affairs provides a reliable indication of their general character and truthworthiness.

c. Prior to acceptance of any credit plan, members should evaluate their financial capabilities and set up a budget, which will preclude hopeless entrapment in overburdening and ever increasing debts.

d. Consultation with a legal assistance officer, or command financial assistant, when contemplating large purchases on credit may assist members to avoid commitments which may be difficult or impossible to carry out.
e. Be wary of the “high pressure” salesperson. Think carefully and seek advice before signing an agreement or contract. Never sign a blank contract and always multiply the number of payments by the amount to determine the total payment. Note particularly the penalty clauses.

f. Failure to pay just debts or repeatedly incurring debts beyond one’s ability to pay is evidence of irresponsibility and may jeopardize their security clearance status, advancement status, duty assignment, qualification for reenlistment or extension of enlistment, retention, and in aggravated circumstances may become grounds for disciplinary and/or administrative separation action.

g. A savings may be realized by setting funds aside to provide for cash purchases.

h. Take advantage of the saving, counseling, and lending services provided by credit unions organized by and for Department of the Navy (DON) civilian and military personnel.

i. The use of the statement of Full Disclosure forms as set forth herein will be included in indoctrination and each member desiring to obtain or execute a loan will be encouraged and advised to require the creditor or lender to complete the Full Disclosure form to be signed by both parties to the transaction.

j. Members who did not seek or heed advice beforehand or who otherwise encounter difficulties in paying their debts should be encouraged to consult with a legal assistance officer per reference (e).

k. Bankruptcy is not an easy way out of indebtedness. The Navy neither encourages nor discourages the filing of a petition in bankruptcy. The circumstances prompting bankruptcy proceeding are considered carefully since they may reflect adversely on the military character of the petitioner. A discharge in bankruptcy does not give a member immunity from appropriate disciplinary or administrative action for failure to pay just debts committed prior to a petition of bankruptcy.

5. **Notice of Indebtedness.** Upon receipt of a notice of indebtedness, determine if the creditor is
a. a debt collector who is in violation of the *Fair Debt Collection Practices Act* or a State statute regulating debt collection practices;

b. a nonjudgement creditor who has complied with the Standards of Fairness, made a full disclosure of the terms of the obligation, and executed the Certificate of Compliance before consummating the loan or credit contract, and has submitted a copy of the statement of Full Disclosure and the Certificate of Compliance with the signatures of both parties and the date of its execution;

c. a nonjudgement creditor who has certified that the Standards of Fairness are complied with and that the unpaid balance is adjusted accordingly or needs no adjustment, including a statement of Full Disclosure reflecting compliance. This provision applies only to those cases in which the creditor has not executed a Certificate of Compliance prior to the consummation of the contract or is unable to produce it.

d. a creditor who has procured a judgment in a civil court of competent jurisdiction.

6. **Letters to Creditors.** In the event that a notice of indebtedness is received by a member’s command, the appropriate form letter should be used.

<table>
<thead>
<tr>
<th>IF...</th>
<th>THEN...</th>
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<tbody>
<tr>
<td>a debt collector is in violation of the <em>Fair Debt Collection Practices Act</em> or a State statute</td>
<td>return the correspondence to the sender with Letter L-1.</td>
</tr>
<tr>
<td>the creditor is not listed under Creditors Obligations block</td>
<td>send the creditor Letter L-2.</td>
</tr>
</tbody>
</table>
| a creditor is not in violation of the *Fair Debt Collection Practices Act* or a State statute, and is one of the other types listed under the Creditors Obligation block | • send the correspondence to the member concerned.  
• have the member respond directly to the creditor in writing, or another documented manner regarding their intentions.  
• send the creditor Letter L-3. |
| after resubmitting Letter L-2, the creditor still has not satisfactorily met the requirements for Full Disclosure or signed the Certificate of Compliance | send Letter L-4. |
| a creditor’s letter is received via a member of Congress | respond by Letter L-5. |
| reply concerns verification of a member’s employment as status of pay, | respond by Letter L-6. |
7. **Indebtedness to the Navy and Marine Corps Relief**

   a. The Navy and Marine Corps Relief Society (NMCRS) maintains a close affiliation with the Navy and Marine Corps. Communications from the NMCRS to the CO concerning funds advanced to a member are made only after repeated unsuccessful attempts have been made to communicate with the member. The NMCRS requests COs to have the member interviewed, to ask the member to reply to the NMCRS correspondence, and to submit a recommendation regarding member’s ability to repay the funds. Answers to these letters shall be answered in terms of action and information requested, not in terms of typical indebtedness letters. These letters are not appropriate when responding to NMCRS, or letters to other COs, which are neither indebtedness complaints, nor collection letters.

   b. Claims in which compliance with these requirements is questionable, or in which the total cost of the loan or credit including all finance charges, although stated, appear excessive shall be referred to the officer designated by the command as responsible for such consideration and disposition as may be appropriate; however, before deciding on the proper course of action, the command shall give the creditor an opportunity to demonstrate that the finance charges conform to law and the extent to which the finance charge and rates conform to prevailing rates and charges for similar consumer credit transactions.

   c. Expeditious action is encouraged in the best interest of the Navy, and to assist member where feasible in obtaining needed credit, or preventing adverse credit information from being entered on their account(s).

8. **Request for Information on Member’s Pay.** Requests to furnish information concerning the personal credit rating of a member of the Naval Service should be courteously refused. Inquiries will be limited to a verification that the member is in the Naval Service, and a statement of the member’s duty station, duty address, and basic pay information. The command may provide the member a *Statement of Service* (see Letter L-7), which includes a statement of pay and allowances that has been signed and released by the command.
9. **Actions in Aggravated Situations of Nonpayment**

   a. Should an aggravated situation due to nonpayment occur, the member should be immediately counseled on the adverse effects of such notification of nonpayment of legal debts, and the need to take prompt action to resolve the nonpayment issue.

   b. If considered necessary to assist the member in managing their financial affairs, require the member to submit a **Statement of Monthly Finance (Income and Output)** (see Letter L-8). Submit to DON, Central Adjudication Facility (DON CAF), if appropriate, a full report of the circumstances in connection with any petition in bankruptcy, discharge in bankruptcy, or approved **Wage Earner’s Plan**.
Dear Sir/Madam:

This is in reply to your letter of (date) concerning the alleged indebtedness of (grade/rate/name).

The policy of the Department of the Navy is that members of the Naval Service shall honorably discharge their just and fair debts. We have, however, no authority to enforce settlement of any private claims made against members of the Naval Service, nor is adjudication of disputed claims a matter under the cognizance of the Department of the Navy.

The Navy will forward complaints of indebtedness to members advising them to communicate directly with the creditors regarding their intention in the matter, provided the letter of indebtedness complies with statutory and regulatory requirements.

A careful review of the contents of your correspondence suggest that it is in violation of (statute (Federal or State, or both)), in that (briefly describe the apparent violation, i.e., correspondent is a member of the class of persons prohibited from contacting third parties). Therefore, the correspondence is returned to you without action.

You are advised to communicate directly with (grade/rate/name) about this matter.

Sincerely,

(Attached enclosures.)
Dear Mr./Miss/Mrs./Ms/(surname)

This is in reply to your letter of (date) concerning the alleged indebtedness of (grade/rate/name).

The policy of the Department of the Navy is that members of the Naval Service shall honorably discharge their just and fair debts. The Department of the Navy has no authority to enforce settlement of any private claims made against members in the Naval Service, nor is adjudication of disputed claims a matter under the cognizance of the Department of the Navy.

Department of Defense directives require that as a condition precedent to forwarding complaints of indebtedness to a member, the enclosed forms must be completed and the Standards of Fairness complied with. If, after review, it appears that provisions of the Department of Defense directives have been fully satisfied, the matter will be referred to the member for reply directly to you.

Sincerely,

Enclosures: (Standards of Fairness forms for a statement of Full Disclosure and a Certificate of Compliance.)
Dear (fill-in):

This is in reply to your letter of (date) concerning the alleged indebtedness of (grade/rate/name).

In view of your letter, the member has been advised to communicate directly with you regarding their intentions in this matter. I hope that this action will result in the matter being satisfactorily resolved.

Sincerely,
Dear Mr./Miss/Mrs./Ms. (surname):

This is in reply to your letter of (date) concerning the alleged indebtedness of (grade/rate/name).

After a careful review of the contents of your correspondence, it does not appear that the Full Disclosure test and the Standards of Fairness requirement have as yet been met. (Specify particulars to the extent appropriate). This command is not permitted to assist you until the Standards of Fairness have been complied with, or until such time as you have obtained a civil judgment in a court of competent jurisdiction which complies with the provisions of the Servicemembers Civil Relief Act.

Sincerely,

Encl: (correspondence in this case.)
LETTER L-5
(Use proper letter format.)

My Dear Mr. (Congressman/Congresswoman):

This is in reply to your letter of (date) concerning the alleged indebtedness of (grade/rate/name), United States Navy.

Navy personnel are well indoctrinated in the Department of the Navy’s policy of expecting all members to discharge their acknowledged debts and just obligations. We desire to cooperate and be of assistance to persons who are experiencing difficulty in collecting from naval personnel. There is no legal authority to exercise control or direction over federal pay in matters of personal indebtedness. Cooperation is restricted to bringing the matter to the attention of the member concerned, and requesting they communicate directly with the creditor regarding their intentions in the matter.

Department of Defense directives require that as a condition precedent to forwarding complaints, the enclosed form must be completed and the Standards of Fairness complied with. Your constituent should be advised to send the forms to: Commanding Officer, (fill-in). I have ensured the member is advised of our learning of this issue, and have recommended member take action to resolve the issue immediately.

Sincerely,

Encl:  {Standards of Fairness forms for Full Disclosure/Certificate of Compliance.}
Dear Sir/Madam:

This is in reply to your letter of (date) requesting certain information relative to the credit rating of (grade/rate/name), United States Navy.

(Grade/rate/name) is currently a member of the Naval Service on active duty. His/her official address is: (fill-in). Current policy of the Department of the Navy precludes furnishing further information in this regard. If more detailed data is required, we suggest it be requested directly from the member or from credit bureaus or other commercial rating agencies.

We hope that the foregoing information satisfactorily answers your inquiry.

Sincerely,

NOTE: When in receipt of letters from creditors desiring to contact a member about their indebtedness and the member has transferred, the command should advise the creditor of the member’s new duty station address or that the member has been discharged from the Navy and the Navy is not authorized to provide creditors with member’s forwarding civilian address. Home addresses are never to be released.
LETTER L-7 (STATEMENT OF SERVICE)

This memorandum certifies that (grade/rate/name) is currently on
active duty in the United States Navy, assigned to (fill-in
command and address). His/her expiration of current enlisted is
(fill-in). He/she entered in the Navy on (fill-in). His/her
current military pay is as follows:

BASE PAY:
SPECIAL PAY (SEA/SUB/FLIGHT/MEDICAL/PRO, ETC., PAY):
ALLOWANCE FOR QUARTERS (BAQ):
ALLOWANCE FOR MEALS (BAS):
VARIABLE HOUSING ALLOWANCE (VHA):

REQUIRED DEDUCTIONS INCLUDE:
FEDERAL INCOME TAX:
STATEMENT INCOME TAX:
FICA:
(ANY OTHER REQUIRED DEDUCTIONS - GARNISHMENTS, ETC).

I hereby authorize the above information for the purpose of
(obtaining a home loan, etc).

MEMBER’S SIGNATURE

I certify that the above information is a true report of
member’s current pay as of the date of this memorandum.

COMMAND REPRESENTATIVE

NOTE: Commands are advised to keep a copy of this memorandum
for one year.
LETTER L-8
(Use proper letter format.)

From: [Grade/rate/name/component/SSN]
To: Commanding Officer, [fill-in]

Subj: STATEMENT OF MY FINANCIAL STATUS AND CURRENT INDEBTEDNESS

1. PRIVACY ACT STATEMENT: Under the authority of 5 U.S.C. 301 and department regulations, information concerning my financial status and current indebtedness has been requested so my command may evaluate my financial status and current indebtedness, and counsel me in regard to them. I also understand that such information may be used in administrative discharge proceedings. The information provided by me may become a permanent part of my personal record and will not be divulged without my written authorization to anyone other than officials and employees of the Department of the Navy, and other governmental departments or agencies engaged in their official duties. I understand that disclosure of this information may hamper effective counseling by my command. Further, I understand that if I fail to disclose the requested information, any administrative determination upon which my financial status and current indebtedness may have a bearing will be made on the basis of other available information, which may support a determination adverse to me. Lastly, I understand that disclosure of my social security number is also voluntary and that there is no adverse effect on me for not disclosing it; however, I understand that disclosure of my social security number will reduce the possibility of mistaken identity.

2. My current financial status is as follows:

Current monthly income: Average monthly expenditures:
Pay: Shelter:
Allowances: Food:
Bonus: Utilities:
Other: Clothing:
TOTAL: Entertainment:
Other (includes taxes):
TOTAL:

Down payment: Amount paid to date:
Amount owed:
3. My current indebtedness is as follows: (make a separate listing for each creditor with the following information)

<table>
<thead>
<tr>
<th>Creditor:</th>
<th>Nature of debt:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date debt incurred:</td>
<td>Monthly payment:</td>
</tr>
<tr>
<td>Date last payment:</td>
<td>Original amount owed:</td>
</tr>
</tbody>
</table>

4. The following judgments have been rendered against me:

<table>
<thead>
<tr>
<th>Court:</th>
<th>Nature of judgment:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of judgment:</td>
<td>Amount of judgment:</td>
</tr>
<tr>
<td>Terms of judgment:</td>
<td>Amount paid to date:</td>
</tr>
</tbody>
</table>

5. Additional remarks concerning my intention to liquidate my obligations include/are as follows (if applicable):

6. I certify that the foregoing is correct and complete to the best of my knowledge.

SIGNATURE AND DATE
USMC MCO
5800.16 Volume 10
VOLUME 10

“INDEBTEDNESS”

SUMMARY OF VOLUME 10 CHANGES

Hyperlinks are denoted by *bold, italic, blue and underlined font*.

The original publication date of this Marine Corps Order (right header) will not change unless/until a full revision of the MCO has been conducted.

The date denoted by *blue font* (left header) will reflect the date this Volume was last updated.

All Volume changes denoted in *blue font* will reset to black font upon a *full revision* of this Volume.

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<th>VOLUME VERSION</th>
<th>SUMMARY OF CHANGE</th>
<th>ORIGINATION DATE</th>
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Submit recommended changes to this Volume, via the proper channels, to:

CMC (JA)
3000 Marine Corps Pentagon
Washington, DC 20350-3000

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VOLUME 10: INDEBTEDNESS

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(d) 10 U.S.C. §§ 806, 1044, 1044e, 1059, 1072, 1565b, 1588, and 5046
(e) MCO 5430.2
(f) JAGINST 5803.1E
(h) U.S. Navy Regulations, (1990)
(i) MCO 5800.14
(j) MCO 1001.62B
(k) MCO 1200.18
(l) JAGINST 5803.2B
(m) SECNAVINST 1920.6C
(n) Uniform Code of Military Justice, (2016)
(o) MCO 1610.7
(p) MCO 1300.8
(q) MCO 1000.6
(r) JAGINST 5800.7F
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(w) 38 U.S.C. §§ 4301-4334
(x) DoD Instruction 1205.12
(y) 31 U.S.C. § 1342
(z) DoD Instruction 1100.21
(aa) 8 U.S.C. § 1400
(bb) Executive Order 13269, (July 3, 2002)
(cc) DoD Directive 2311.01E
(dd) MCO 3300.4A
(ee) DoD Directive 2310.01E
(ff) DoD Directive 5146.13
(gg) Executive Order 12333, (December 4, 1981)
(hh) DoD Directive 5240.01
(ii) DoD 5240.1-R
(jj) DoD Instruction 3025.21
(kk) DoD Instruction 5525.03
(ll) SECNAVINST 5710.25B
(mm) 1 U.S.C. § 112b
(nn) 22 CFR Part 181
(oo) DoD Directive 5530.3
(pp) DoD 5500.07-R
(qq) 18 U.S.C. § 202
(rr) 5 C.F.R. § 2634
“REFERENCES”

As changes are made within this MCO Volume, the References list will also update. Annotation of each update/change/addition to the References list is required.

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The date denoted by blue font (left header) will reflect the date these References were last updated as changes/revisions are made within this MCO.
VOLUME 10
“INDEBTEDNESS”

SUMMARY OF SUBSTANTIVE CHANGES

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INDEBTEDNESS

0101 PURPOSE

This Volume establishes Marine Corps policy and procedure for processing certain debt complaints against active-duty Service Members from creditors and debt collectors. Financial support of dependents is governed by Volume 9 of this Order.

010101. The following types of debts are not processed under this Volume, but are processed using Department of Defense (DoD) Financial Management Regulation (FMR) procedures:

A. Garnishments and involuntary allotments for enforcement of child support and alimony obligations and involuntary allotments for debts reduced to judgment other than for child or spousal support (FMR, Vol. 7A, Ch. 41);

B. Collection of debts owed to and collected by the DoD (FMR, Vol. 16, Ch. 2, 3 and 4); and,

C. Salary offset for delinquent government travel card debt (FMR, Vol. 7A, Ch. 43 and Vol.16, Ch. 2).

010102. The activity responsible for this Volume is the Legal Assistance Branch, Judge Advocate Division, Headquarters, U.S. Marine Corps.

0102 POLICY

010201. Marines are expected to manage their personal affairs satisfactorily and pay their financial obligations in a proper and timely manner. A Marine's dishonorable failure to pay just debts may result in administrative or disciplinary action, which can include nonjudicial punishment, the initiation of court-martial proceedings and/or administrative separation proceedings. Indebtedness also may adversely impact security clearances. (32 CFR Part 147)

010202. Enforcement of private obligations is a matter for civil authorities. Except as otherwise authorized by statute or regulation, the Marine Corps has no legal authority to require Marines to pay a private debt or to divert any part of their pay for its satisfaction. The extent to which commanding officers may assist original creditors is limited to administrative referral of the complaint to the Marine.

010203. Whenever possible, indebtedness disputes should be resolved through amicable means between the parties. The Marine's chain of command shall not attempt to arbitrate disputed debts or act as a collection agent. Commanders will not tell a creditor whether adverse action has been or will be taken against the Marine as a result of the claim.

010204. Debt complaints meeting the requirements of this Volume shall receive prompt processing assistance from commanders.

010205. Assistance with indebtedness matters should not be extended to those who have not made a bona fide effort to collect the debt directly from the Service Member, whose claims are patently false and misleading, or whose claims are obviously exorbitant.
010206. Assistance with indebtedness matters shall not be extended to debt collectors or creditors who violate applicable Federal or State law. Commanders are encouraged to report violators to the installation Inspector and to the officer in charge of the appropriate Legal Assistance office.

010207. Commanders should contact the appropriate Staff Judge Advocate for assistance with questionable indebtedness complaints.

010208. Service Members and their families who are victims of suspected illegal debt collection activity should be encouraged to consult military legal assistance counsel who can advise them on filing complaints with the Consumer Financial Protection Bureau, Federal Trade Commission, and other government agencies and possible civil court action against the debt collector. Commanders are encouraged to provide copies of correspondence to the Marine concerned.

0103 CREDITOR AND DEBT COLLECTOR DEFINED

010301. A creditor is any person who offers or extends credit creating a debt owed to that person. State law generally regulates the conduct of creditors collecting on their own behalf. Such laws are often similar to the Fair Debt Collection Practices Act (FDCPA) and may require them to have a court order or consent of the debtor prior to contacts with third parties, including the debtor's command. Such laws may also require that the consent be in writing and given after default. Generally, the military Services comply with State law when that law does not infringe upon significant military interests.

010302. A debt collector is normally a third party attempting to collect a debt on behalf of the original creditor. The FDCPA prohibits debt collectors, as defined therein, from contacting third parties, such as commanding officers, in connection with the collection of a debt unless they have a valid court order or prior consent of the debtor.

0104 PERSONAL FINANCIAL RESPONSIBILITY AND EDUCATION

010401. Commanders must ensure that members of their command are instructed in financial responsibility, the Marine Corps policy concerning indebtedness, and the avoidance of predatory, unfair, deceptive, and abusive consumer practices. Personal financial education classes, including such subjects as insurance, government benefits, savings, credit and debt management, budgeting, and other financial education and assistance, may only be presented by persons and organizations authorized by the DoD and Service regulations.

010402. Before making decisions that impact their financial welfare, Marines are strongly encouraged to seek financial education, training, counseling, and their unit Command Financial Specialists, the Marine Corps Community Services Personal Financial Management Specialists, and/or Legal Assistance attorneys. Approved non-profit entities may assist Marines. In providing counseling, these entities may not endorse or favor any commercial supplier, product, or service, or promote the services of a specific financial institution.

010403. Marines and family members who are being subjected to unfair or unconscionable debt collection tactics from debt collectors, or who are the target of threatening scammers alleging nonpayment of fictitious debts, should seek legal assistance immediately. Commanders who become aware of such cases should inform the appropriate Staff Judge Advocate.
0105  PROCESSING DEBT COMPLAINTS

010501. Requests for Locator Service. Creditors seeking locator information for Marines should send a written request to Headquarters U.S. Marine Corps, Manpower Management Records and Performance Branch, 2008 Elliott Road, Quantico, VA 22134-5030 (phone number: 1-800-268-3710). There may be an associated processing fee. Base locators are also available at all major Marine Corps installations.

010502. Debt Complaints Based on Dishonored Checks

A. Writing checks against an account with insufficient funds is a serious matter. Doing so may result in civil or criminal penalties, including disciplinary action under the Uniformed Code of Military Justice (UCMJ) or administrative separation proceedings.

B. Checks made good within five days of notice do not require any command action if the complaint is based on bank error, failure to date the check, inconsistent or not legible amounts shown on the check, and/or lack of a legible signature.

C. Dishonored checks written by family members are not processed under this Volume. Generally, Service Members are not responsible for repaying dishonored checks written by their family members absent evidence of personal involvement in criminal conduct by the Service Member; however, dishonored checks may result in suspension of the Service Member's check cashing privilege aboard the installation. Commanders should consult with the appropriate Staff Judge Advocate.

010503. Complaints from Creditors

A. Creditors contacting commands should be informed that all debt complaints must be submitted in writing.

B. Creditors must submit the following with their debt complaint: (1) information sufficient to identify the Marine and his or her unit; (2) a copy of the contract or other instrument establishing the obligation to include a copy of applicable consumer credit disclosures given to the Marine during the credit transaction, as required by Federal and State law; (3) evidence of their attempts to contact the Marine before asking for command assistance; and (4) the Marine's written consent authorizing contact with third parties regarding the matter.

C. Complaints not meeting the requirements of this Volume will be returned to the creditor without further action.

D. Creditors who abuse the debt complaint process may be denied assistance. This includes those who contact the command in violation of applicable Federal and State law requiring a court order or permission from the debtor to contact the command.

0106  COMMAND STEPS

010601. Complaints received alleging indebtedness of a Marine who is no longer a member of the command will be forwarded to the Marine's new command. If the individual has been separated from the Marine Corps, the correspondence will be returned to the sender so informing the party. The creditor may be informed of the Marine's new military address (except in the case of a
deployed unit), but in no case shall the permanent (home) mailing address be disclosed, except as may otherwise be authorized under the Freedom of Information Act or Privacy Act of 1974.

010602. Commanders receiving a complaint that meets the requirements of this Volume shall:

A. Review the evidence submitted. Questionable claims should be discussed with the appropriate Staff Judge Advocate and incomplete claims should be returned to the creditor.

B. Advise the Marine that just financial obligations are expected to be paid in a timely manner, and that failure to pay just debts may lead to administrative or disciplinary action within the Marine Corps and to civil action by the creditor seeking a judgment from a civilian court for the amount of the debt. Advise the Marine of the opportunity to seek legal assistance and financial counseling with regard to resolving the indebtedness.

C. Consult the appropriate Staff Judge Advocate when the Marine is suspected of criminal conduct. Questioning the Marine when criminal conduct is suspected requires that the Marine be advised of his or her rights under Article 31(b), UCMJ.

D. After discussing the complaint with the Marine, inform the creditor, without commenting on the merits of the claim, that the complaint was brought to the Marine’s attention.
CFR 2011 title32
vol1 Part112
temperature of 3 degrees Fahrenheit. The wind chill equivalent temperature is based on the average monthly temperature and wind of the coldest month for each of the past 3 consecutive years.

APPENDIX B TO PART 110—FORMULA FOR ROTC COMMUTATION RATES

Basic Course (General Military Course)
Total Pkg. Cost of Auth. Items+10% Procurement Cost=Adjusted Pkg. Cost—Amortized by: 2-Yr. Life Shoes & Socks; 2-Yr. Life Insignia; 5-Yr. Life Bal. of Pkg. +15% Custodial Fees+$10.00 Uniform Alteration and Maint.=Net Rate Per Yr. (Rounded to nearest $)

Advanced Course (Professional Officers Course)
Total Pkg. Cost of Auth. Items–½ Amt. of Insignia Cost (2-yr. Amortization)+5% Custodial Fees+$10.00 Uniform Alteration & Maint.=Net Rate 2-yr. period (Rounded to nearest $)

Summer Camp (Field Training)
Total Pkg. Cost of Auth. Items–Amortized by: 2-yr. Life (Entire pkg., except shoes and socks)+5% Custodial Fees+$10.00 Uniform Alteration & Maint.=Net Rate 2-yr. period (Rounded to nearest $)

APPENDIX C TO PART 110—APPLICATION OF BASIC COURSE FORMULA (MALE AND FEMALE MEMBERS) (SAMPLE)

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PART 112—INDEBTEDNESS OF MILITARY PERSONNEL

Sec.
112.1 Purpose.

112.2 Applicability and scope.

112.3 Definitions.

112.4 Policy.

112.5 Processing of debt complaints.

112.6 Processing of involuntary allotments.

112.7 Responsibilities.

Authority: 5 U.S.C. 5520a(k) and 10 U.S.C. 113(d).

Source: 73 FR 59502, Oct. 9, 2008, unless otherwise noted.

§ 112.1 Purpose.

This part updates DoD policies and assigns responsibilities governing delinquent
§ 112.2 Applicability and scope.

(a) This part applies to the Office of the Secretary of Defense, the Military Departments (including the Coast Guard when it is not operating as a Service in the Navy, under agreement with the Department of Homeland Security), the Chairman of the Joint Chiefs of Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities in the Department of Defense (hereafter referred to collectively as the “DoD Components”).

(b) This part does not apply to:

(1) Indebtedness of a member of the Military Services to the Federal Government.

(2) Processing of indebtedness claims to enforce judgments against military members for alimony or child support.

(3) Claims by State or municipal governments under the processing guidelines for complaints, including tax collection actions.

§ 112.3 Definitions.

(a) Absence. A member’s lack of an “appearance,” at any stage of the judicial process, as evidenced by failing to physically attend court proceedings; failing to be represented at court proceedings by counsel of the member’s choosing; or failing to timely respond to pleadings, orders, or motions.

(b) Court. A court of competent jurisdiction within any State, territory, or possession of the United States.


(d) Exigencies of Military Duty. A military assignment or mission-essential duty that, because of its urgency, importance, duration, location, or isolation, necessitates the absence of a member of the Military Services from appearance at a judicial proceeding or prevents the member from being able to respond to a notice of application for an involuntary allotment. Exigency of military duty is normally presumed during periods of war, national emergency, or when the member is deployed.

(e) Judgment. A final judgment must be a valid, enforceable order or decree, by a court from which no appeal may be taken, or from which no appeal has been taken within the time allowed, or from which an appeal has been taken and finally decided. The judgment must award a sum certain amount and specify that the amount is to be paid by an individual who, at the time of application for the involuntary allotment, is a member of the Military Services.

(f) Just Financial Obligation. A legal debt acknowledged by the military member in which there is no reasonable dispute as to the facts or the law; or one reduced to judgment that conforms to Sections 501–591 of title 50 Appendix, United States Code (The Servicemembers Civil Relief Act, as amended), if applicable.

(g) Member of the Military Services. For the purposes of this part, any member of the Regular Army, Air Force, Navy, Marine Corps, or Coast Guard, and any member of a Reserve component of the Army, Air Force, Navy, Marine Corps, or Coast Guard (including the Army National Guard of the United States and the Air National Guard of the United States) on active duty pursuant to a call or order for a period in excess of 180 days at the time an application for involuntary allotment is received by the Director, DFAS, or Commanding Officer, Coast Guard Pay and Personnel Center. The following shall not be considered members:

(1) Retired personnel, including those placed on the temporary or permanent disabled retired list; and

(2) Personnel in a prisoner of war or missing in action status, as determined.
§ 112.4 Policy.

(a) Members of the Military Services are expected to pay their just financial obligations in a proper and timely manner. A Service member’s failure to pay a just financial obligation may result in disciplinary action under the Uniform Code of Military Justice (10 U.S.C. 801–940) or a claim pursuant to Article 139 of the Uniform Code of Military Justice. Except as stated in this section, and in paragraphs (a)(1) and (a)(2) of this section, the DoD Components have no legal authority to require members to pay a private debt or to divert any part of their pay for satisfaction of a private debt.

(1) Legal process instituted in civil courts to enforce judgments against military personnel for the payment of alimony or child support shall be acted on pursuant to 42 U.S.C. 651–665, and Chapter 50, of Department of Defense Regulation 7000.14–R Volume 7A. 1

(2) Involuntary allotments under 5 U.S.C. 5520a(k) shall be established in accordance with this part.

(b) Whenever possible, indebtedness disputes should be resolved through amicable means. Claimants may contact military members by having correspondence forwarded through the military locator services for an appropriate fee.

§ 112.5 Processing of debt complaints.

(a) Debt complaints meeting the requirements of this part and procedures established by the Under Secretary of Defense for Personnel and Readiness, as required by §112.7(a)(1) shall receive prompt processing assistance from commanders.

(b) Assistance in indebtedness matters shall not be extended to those creditors:

(1) Who have not made a bona fide effort to collect the debt directly from the military member;

(2) Whose claims are patently false and misleading; or

(3) Whose claims are obviously exorbitant.

(c) Some States have enacted laws prohibiting creditors from contacting a debtor’s employer about indebtedness or communicating facts on indebtedness to an employer unless certain conditions are met. The conditions that must be met to remove this prohibition are generally such things as reduction of a debt to judgment or obtaining written permission of the debtor.

(1) At DoD installations in States having such laws, the processing of debt complaints shall not be extended to those creditors who are in violation of the State law. Commanders may advise creditors that this rule has been established because it is the general policy of the Military Services to comply with State law when that law does not infringe upon significant military interests.

(2) The rule in paragraph (c)(1) of this section shall govern even though a creditor is not licensed to do business in the State where the debtor is located. A similar practice shall be started in any State enacting a similar law regarding debt collection.

(3) Pursuant to 15 U.S.C. 1601 note and 1692–1692o (“Fair Debt Collection Practices Act”), contact by a debt collector with third parties, such as commanding officers, for aiding debt collection is prohibited without a court order or the debtor’s prior consent given directly to the debt collector. Creditors are generally exempt from this requirement, but only when they collect on their own behalf.

§ 112.6 Processing of involuntary allotments.

Pursuant to 5 U.S.C. 5520a(k): (a) In those cases in which the indebtedness of a military member has been reduced to a judgment, an application for an involuntary allotment from the member’s pay may be made under procedures prescribed by the Under Secretary of Defense (Comptroller). Such procedures shall provide the exclusive remedy available.

(b) An involuntary allotment from a member’s pay shall not be permitted in any indebtedness case in which:

(1) Exigencies of military duty caused the absence of the member from

1Copies may be obtained from the DoD Directives Web page at: http://www.dtic.mil/whs/directives.
§ 112.7 Responsibilities.

(a) The Under Secretary of Defense for Personnel and Readiness shall:

(1) In consultation with the Under Secretary of Defense (Comptroller), establish procedures for the processing of debt complaints.

(2) Establish policies and processes for the assistance to be provided by military authorities to creditors of military personnel who have legitimate debt complaints.

(b) The Under Secretary of Defense (Comptroller) shall:

(1) In consultation with the Under Secretary of Defense for Personnel and Readiness establish procedures for processing debt complaints, and administer and process involuntary allotments from the pay of members of the Military Services. This includes the authority to promulgate forms necessary for the efficient administration and processing of involuntary allotments.

(2) Ensure that the Director, Defense Finance and Accounting Service:

(i) Implements procedures established by the Under Secretary of Defense for Personnel and Readiness and the Under Secretary of Defense (Comptroller).

(ii) Considers whether Servicemembers Civil Relief Act 50 U.S.C. Appendix, sections 501–591 has been complied with pursuant to 5 U.S.C. 5520a(k) prior to establishing an involuntary allotment against the pay of a member of the Military Services.

(iii) Publishes, prints, stocks, redistribute, and revises DoD forms necessary to process involuntary allotments.

(c) The Heads of the DoD Components shall urge military personnel to meet their just financial obligations, since failure to do so damages their credit reputation and affects the public image of all DoD personnel. See DoD Directive 5500.7. 2

(d) The Secretaries of the Military Departments shall:

(1) Establish, as necessary, procedures to administer and process involuntary allotments from the pay of members of the Military Services. This includes designating those commanders, or other officials who may act in the absence of the commander, who shall be responsible for determining whether a member’s absence from a judicial proceeding was caused by exigencies of military duty, and establishing appeal procedures regarding such determinations.

(2) Require commanders to counsel members to pay their just debts, including complying, as appropriate, with court orders and judgments for the payments of alimony or child support.

(3) Emphasize prompt command action to assist with the processing of involuntary allotment applications.

(e) The Chief, Office of Personnel and Training, for the Coast Guard shall:

(1) Establish, as necessary, procedures supplemental to those promulgated by the Under Secretary of Defense for Personnel and Readiness or the Under Secretary of Defense (Comptroller) to administer and process involuntary allotment from the pay of members of the Military Services; this includes the authority to promulgate forms necessary for the efficient administration and processing of involuntary allotments.

(2) Ensure that the Commanding Officer, Coast Guard Pay and Personnel Center:

(i) Implements procedures established by the Under Secretary of Defense for Personnel and Readiness, the Under Secretary of Defense (Comptroller), and Chief, Office of Personnel and Training.

(ii) Considers whether the Servicemembers Civil Relief Act, as amended (50 U.S.C. Appendix, sections 501–591) has been complied with pursuant to 5 U.S.C. 5520a(k) prior to establishing an involuntary allotment against the pay of a member of the Military Services.

(iii) Acts as the Coast Guard manager for forms necessary to process involuntary allotments.

2See footnote 1 to §112.4(a)(1).
CIM 1600.2
Chapter 2.D.
Indebtedness
2.D. Indebtedness

2.D.1. General Policy

2.D.1.a. Military Duty

Members who fail to meet their financial obligations bring discredit upon the Service, burden the command administratively, and jeopardize their eligibility for a security clearance. Because of this, all members have a military duty to meet their financial obligations and cannot use military status as a pretext to avoid financial obligations. Despite the Coast Guard’s interests in the matter, the Coast Guard has no authority to direct or control the pay of its personnel for the purpose of satisfying a private claim of indebtedness, except under the following circumstances:

1. When a court has ordered garnishment of a member’s military pay for the payment of child support or alimony. Article 7.G. of reference (d), Coast Guard Pay Manual, COMDTINST M7220.29 (series).

2. When a court has ordered garnishment of a member’s military pay for indebtedness. Claimant must comply with the Soldiers’ and Sailor’s Civil Relief Act to obtain a final judgment in a court of competent jurisdiction. (See 32 CFR, Parts 112 and 113.)


2.D.1.b. Command Action

Law and regulations require members to pay just financial obligations in a proper and timely fashion, and favors amicable, informal resolution. However, law and regulations also provide for involuntary allotments when this fails. The Service is not required to assist in processing debt complaints when the claimant has not made bona fide efforts to collect the debt directly from the member or when the claim is patently false, misleading, or exorbitant. In cases where there appears to be a genuine dispute as to the validity of the claim or where the amount of the claim is disputed, the claimant should be advised to seek redress through the courts. Except as provided for in Article 1.L.1.d. of this Manual, a court judgment or court order must be presumed by the commanding officer to be just, fair, and binding.

2.D.1.c. Disputing the Claim

While a commanding officer is not authorized to adjudicate disputed cases, careful consideration should be given to the merits of the member's position for the purpose of determining whether the member's delinquency or nonpayment of a claim reflects a good faith dispute. If there are sufficient grounds for disputing the claim, the commanding officer is authorized to temporarily postpone initiation of the adverse disciplinary or administrative actions provided for in Article 2.D. of this Manual in order to afford the member a reasonable opportunity to resolve the matter.

2.D.1.d. Waiver of Military Obligation

In the rare case when the commanding officer concludes that a court judgment or court order is
being disputed in court, a temporary waiver of the member’s military obligation to comply with the court judgment or court order is appropriate. The member must be able to provide firm information of the efforts to resolve the dispute in court.

(1) **Convincing Information.** The member concerned must present convincing information which attests to a good faith course of action as described below. Full compliance with the court order will be required when:

(a) The commanding officer does not consider that the member has provided convincing information that the dispute is pending in court, or

(b) The member's efforts to obtain legal relief from the court order are unsuccessful or are terminated.

(2) **Good Faith.** "Good faith" in such cases includes the member's failure to comply with the judgment or court order is due to a conscious, positive plan of court action recommended by the member's attorney, the intent of which is to seek a court hearing immediately for relief or final resolution of the dispute. Mere conferral with an attorney by the member is not convincing information to suspend the member’s military obligation to comply with the court judgment or court order, unless followed by positive action on the member's part.

(3) **Member Responsibility.** Temporary waiver from the military obligation to liquidate indebtedness does not authorize the member to ignore the claim. On the contrary, the member must demonstrate the court action taken to resolve the matter. A member involved in a disputed claim should be advised to consult with a Coast Guard legal assistance officer in accordance with the provisions of reference (m), Legal Assistance Program, COMDTINST 5801.4 (series).

2.D.1.e. **Insufficient Funds**

Tendering a check drawn on a bank when the individual knows or reasonably should know that there will be insufficient funds available may constitute a criminal offense under the laws of the civil jurisdictions or reference (a), Uniform Code of Military Justice, 10 U.S.C. § 801 – 946 (as amended). Commanding officers shall investigate incidents of this nature and take disciplinary action when appropriate. While every instance of a check returned because of insufficient funds is not necessarily criminal, repeated incidents of this nature are indicative of financial irresponsibility and should be handled as provided for in Article 2.D.4. of this Manual.

2.D.1.f. **Information Provided to Creditors**

Commanding officers shall not furnish creditors with any information concerning the personal credit rating or financial responsibility of a member even if authorized by the member. Such information may be construed as approving or endorsing the extension of credit.

2.D.2. **Command Indoctrination and Counseling**

Commanding officers shall ensure that members of their command are instructed in the basic provisions of this section. Inclusion of this section in a unit organization manual will fulfill this
indoctrination requirement. For units below the sector level, training beyond initial indoctrination is the responsibility of the sector. The following points should be emphasized when discussing credit practices:

(1) **Evidence of Irresponsibility.** Failure to pay just debts or repeatedly incurring debts beyond a member's ability to pay is evidence of irresponsibility and may jeopardize the member's security clearance, advancement, duty assignment, qualification for reenlistment or extension of enlistment, and may become grounds for disciplinary action or administrative discharge.

(2) **New Credit.** Prior to accepting new credit, members should evaluate their financial capabilities and establish a budget which demonstrates the ability to repay the new debt.

(3) **Large Purchases/Difficulty Paying Debt.** Members should consult with a legal assistance officer when contemplating large purchases on credit, or when they encounter difficulties in paying their debts. (See reference (m), Legal Assistance Program, COMDTINST 5801.4 (series).)

(4) **Counseling Services.** The savings, counseling, and lending services provided by credit unions may offer substantial advantages over those of standard commercial institutions.

(5) **Seek Advice.** Be wary of the "high-pressure" salesman. Think carefully and seek advice before signing an agreement or contract. Never sign a blank contract and always determine the total payment in installment sales. Note particularly the penalty clauses.

(6) **Bankruptcy.** Bankruptcy is not an easy way out of indebtedness. The circumstances prompting bankruptcy proceedings may reflect adversely on the military character of the bankruptcy petitioner. If it appears that the offense of dishonorable failure to pay just debts has occurred prior to discharge of indebtedness through bankruptcy proceedings, the subsequent discharge in bankruptcy will not preclude action under reference (a), Uniform Code of Military Justice, 10 U.S.C. § 801 – 946 (as amended) even though the debts themselves may have been discharged by the bankruptcy action.

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2.D.3. **Action upon Receipt of Complaint of Indebtedness**

2.D.3.a. **Initial Complaint**

Commanding officers receiving an initial complaint of indebtedness shall inquire into the complaint and take prompt action to resolve the controversy. Such action should support reference (j), United States Coast Guard Regulations 1992, COMDTINST M5000.3 (series), regarding the maintenance of discipline. Command action must also support the law which provides for the garnishment of a member’s pay as described in Article 2.D.1.a. of this Manual. All actions should be accomplished within 30 days of receipt of a complaint.

2.D.3.b. **RetentionPolicy**

The commanding officer should urge the individual to make payments on debts by U. S. postal money order, check, or by any other method providing an actual record of payment. The commanding officer should recommend that the member retain receipts in connection with all
business transactions. The member concerned should then be directed to correspond in a courteous manner to inform the claimant of his or her intentions in the matter.

2.D.3.c. **Response to Correspondence**

The commanding officer shall acknowledge all correspondence from persons claiming indebtedness by responding promptly and courteously to the complaint. Each reply should be couched in temperate language and reflect concern for resolution of the dispute. The reply should include a statement that the matter has been brought to the member’s attention and that the member has been advised to communicate with the claimant. A sample letter is provided below:

Name  
Address  
City, State, Zip

Dear:

This is in response to your letter of <Date> concerning the alleged failure of <Name of Member> to pay the debt owed to you. The Coast Guard expects its members to honor all just debts and comply fully with the orders of any court of competent jurisdiction not under appeal. Upon receipt of your letter, we referred the matter to <Name of member> and advised <him/her> to communicate with you concerning this indebtedness.

If you and <Name of member> are unable to resolve this issue in a mutually agreeable manner, you must comply with the procedures of the Soldiers’ and Sailors’ Civil Relief Act and the provisions of Title 32, Code of Federal Regulations, Parts 112 and 113, to obtain a final judgment and court order in a court of competent jurisdiction.

2.D.3.d. **Waiver of Military Obligation**

When authorizing a temporary waiver of the military obligation to liquidate debts, the commanding officer may periodically require a statement from the member that the effort to obtain relief remains active and an approximate date when a court hearing may be held. When a waiver is granted, additional complaints regarding the matter should be responded to by briefly informing the claimant of the following:

(1) The member has been granted a reasonable period in which to seek relief through the courts,

(2) The name of the member’s attorney, and

(3) Questions on the merits of the case should be addressed to the member's attorney.
2.D.4. Repeated Indebtedness or Failure to Obey Court Orders

2.D.4.a. Administrative Responsibilities

When a unit receives a complaint of indebtedness, the commanding officer shall counsel the individual concerned. For units below the group level, all responses, Administrative Remarks, Form CG-3307, entries, and correspondence will be prepared by the group staff and copies provided to the unit CO or OIC. Unit COs or OICs will counsel the member and provide the details to the group point of contact, but the group is responsible for complying with the provisions of this Article. The unit CO or OIC may submit documentation in any informal method such as memorandum, rapidraft letter, or e-mail.

2.D.4.b. Financial Statements

When the commanding officer is convinced that a member is negligent or careless in regard to personal finances, the individual may be advised to submit a statement of monthly finances and outstanding obligations. Such a request should not be placed in the form of an order and failure to comply with the advice should not be the occasion for disciplinary action. In no event is this submission to be made mandatory.

2.D.4.c. Officers

When the commanding officer is convinced that an officer is negligent or careless in regard to their personal finances, an appropriate entry shall be made on the Officer Evaluation Report (OER) and other corrective action taken, if warranted.


Repeated complaints of indebtedness concerning an enlisted person, with no indication of satisfactory progress toward establishing an acceptable financial status, may be considered as evidence of unreliability. Commanding officers shall submit an Administrative Remarks, Form CG-3307, entry that the member is "Unreliable due to failure to pay debts." The entry shall also include a description of the circumstances surrounding the entry such as the dates, debts, and actions taken. Such an entry may be made for each succeeding marking period until the situation improves. Each time this entry is made, it will be considered when completing the member's next performance evaluation, particularly in the commanding officer’s advancement recommendation.

2.D.4.e. Transfers

If a member is transferred prior to satisfactory resolution of the problem, all current correspondence shall be forwarded to the member's new commanding officer.

2.D.4.f. Separation

Unsatisfactory progress toward resolution of financial difficulty should be considered as evidence of an unacceptable standard of conduct which warrants consideration for separation from the Coast Guard or for a recommendation against reenlistment. Articles 1.A.14, 1.B.15, or
1.B.17 (as appropriate) of reference (k), Military Separations, COMDTINST M1000.4 (series).

2.D.4.g. **Security Clearances**

Excessive indebtedness and unreliability are circumstances which may impinge on an individual's eligibility for a security clearance. Accordingly, when an individual who has or needs a security clearance in order to carry out assigned duties is considered under this Article, the member should also be evaluated in light of personnel security criteria. (See Personnel Security and Suitability Program, COMDTINST M5520.12 (series).)

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2.D.5. **Remission or Waiver of Indebtedness to the United States**

2.D.5.a. **Remissions**

Only active duty enlisted personnel may request remissions of indebtedness. Collection of the outstanding debt may be suspended pending final decision on the remission. Debts collected prior to the commanding officer's endorsement on the remission request may not be refunded. Financial hardship may be considered in remitting a debt.

2.D.5.b. **Waivers**

All members and former members may apply for waivers of indebtedness. Collection of the debt continues while the application is being processed; however, money already collected may be refunded if the waiver is approved.

2.D.5.c. **Applications**

The policies for waiver or remission of indebtedness to the United States are contained in reference (d), Coast Guard Pay Manual, COMDTINST M7220.29 (series). Applications and procedures to be followed when submitting a waiver or remission are contained in reference (i), Personnel and Pay Procedures Manual, PPCINST M1000.2 (series).
Service-Specific Emergency Assistance Flyers

Appendix C
The Society offers financial education to help you create and manage a monthly budget and save for future expenses.

**Financial Education:**
NMCRS can help you plan for better financial stability. We understand the unique challenges of military life and are ready to listen and suggest options to help you be financially prepared for everyday bills and unexpected expenses.

**Eligibility**
- Active duty or retired Sailors, Marines, and their families
- Eligible family members with military ID card
- Surviving spouses
- Reservists on extended active duty of 30 days or more

**Remember to Bring:**
- Military/eligible family member's DoD ID card
- Bills and other information about expenses

**Learn More**
- Visit [www.nmcrs.org/budget](http://www.nmcrs.org/budget)
- Call your local NMCRS office: [www.nmcrs.org/locations](http://www.nmcrs.org/locations)
**Make a Difference for Sailors, Marines, and Their Families**

**2019**

**NMCRS Team**
- 4,208 Volunteers
- 22 Traditional Visiting Nurses
- 139 Administrative Staff

**2019**

**Finances**
- **Total Inflows**: $63.2 million
- **Total Outflows**: $65.2 million
- **Net Outflow (Covered by Investment Reserve and Other Assets)**: $2 million

**Financial Assistance**
- Interest-free Loans and Grants

**Programs**
- Home visits and other contacts with mothers and newborns, elderly retirees, widows and widowers: 19,787
- Moms and dads attended a Budget-for-Baby workshop: 4,155
- Participants received a gift that includes a baby blanket, handmade by a Society volunteer: 3,107

**Income Sources**
- Loan Repayments: $39 million
- Contributions: $23 million
- Other Receipts (Thrift Shops): $1.2 million

**Outlay**
- Financial Assistance: $42.5 million
- Client Services: $18.1 million
- Management & General: $2.8 million
- Fundraising: $1.8 million

**Note:** The difference between inflows and outflows during 2019 was covered by funds from the Society’s Investment Reserve and other assets.

**Program Outlay**
- **BASIC LIVING EXPENSES**: Food, Lodging — $17.6 million
- **TRANSPORTATION**: Car Repairs, Insurance, Car Payment, Rental — $9.6 million
- **FAMILY EMERGENCY**: — $3.1 million
- **TRANSPORTATION DUE TO FAMILY MEMBER ILLNESS**: — $2.7 million
- **HOUSEHOLD SET-UP**: — $2.5 million
- **OTHER (PAY ENTITLEMENT SHORTFALLS, PREDAOTORY LOAN AVOIDANCE)**: — $3.1 million
- **PERSONAL TRANSPORTATION EXPENSES**: PCS, Gas, Parents to Bedside — $2.1 million
- **FUNERAL EXPENSES**: — $934,000
- **MEDICAL/DENTAL (NON-MILITARY MEDICAL FACILITIES)**: — $581,000
- **EDUCATION**: — $274,000

Over 47,000 clients received financial assistance: $42.5 million

**As of 02/14/2020 (Unaudited Report)**
ARMY EMERGENCY RELIEF
Soldiers Helping Soldiers

- Interest Free Loans
- Grants
- Children Scholarships
- Spouse Scholarships
- Survivor Assistance

“Helping the Army Take Care Of Its Own”

Soldiers
Family Members
Retired Soldiers
Survivors

www.armyemergencyrelief.org
Help your shipmate. Give today!

WAYS TO GIVE

$ Allotments/Payroll Deductions
Donating a little each pay period is a quick and easy way to show your support of Coast Guard Mutual Assistance. Simply complete a CGMA pledge form to start or change your contribution.

Cash, Check, or Money Order (payable to CGMA)

Credit Card
Donate securely online at cgmahq.org

A small increase to your monthly or bi-weekly contribution will make a big difference in the lives of your shipmates.

Explore more ways to give at cgmahq.org/give

CGMA is READY to help with Education Assistance

• Educational Loan
• Financial Education & Debt Management Counseling
• Online Tutoring
• Stafford/PLUS Loan Fees
• Supplemental Education Grant (SEG)

Whether you’re looking to take control of your finances or earn a degree, CGMA is here to help!

RELEVANT to the need of Family Assistance and Support

• Adoption
• Baby Supplies
• Breast Milk Shipment
• Housing Rental & Closing Costs
• PCS Childcare
• Respite Care
• Special Needs Grant

PCS childcare, assistance with closing costs, and breast milk shipment reimbursement are just a few of the many ways we are stepping in to meet the day-to-day needs of the Coast Guard community.

RESPONSIVE in any situation with Disaster and Emergency Response

In 2019, CGMA provided over $10 million in disaster and emergency relief. Through fires and floods, hurricanes and medical emergencies, CGMA helps. Every time.

• Bills & Expenses
• Car & Home Repair
• Emergency Travel
• Evacuation
• Funeral
• Loss of Funds
• Medical & Dental
• Pay Issues

For more information on CGMA programs, visit cgmahq.org or call 800.881.2462
Role Play
Jordan Dough Budget
## Role Play: Jordan Dough Budget

### MONTHLY ENTITLEMENTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<td>$3000</td>
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<tr>
<td>BAH</td>
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<tr>
<td>BAS</td>
<td>$372.71</td>
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### MONTHLY LIVING EXPENSES:

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<tbody>
<tr>
<td>Rent (Includes Utilities) (PFM can update)</td>
<td>$1200</td>
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<tr>
<td>Groceries</td>
<td>$300</td>
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<td>Cell Phone</td>
<td>$123</td>
</tr>
<tr>
<td>Gas for Car</td>
<td>$200</td>
</tr>
<tr>
<td>Charity (allotment)</td>
<td>$20</td>
</tr>
<tr>
<td>Internet</td>
<td>$65</td>
</tr>
<tr>
<td>Hair</td>
<td>$30</td>
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<tr>
<td>Auto Insurance</td>
<td>$120</td>
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<tr>
<td>Dining Out</td>
<td>$300</td>
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<td>Renter's Insurance</td>
<td>$15</td>
</tr>
<tr>
<td>Clothing</td>
<td>$95</td>
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<tr>
<td>Online Streaming Services</td>
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<td>Music Services</td>
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<tr>
<td>Amazon Prime</td>
<td>$13</td>
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<tr>
<td>Coffee/Soda/Energy Drinks</td>
<td>$75</td>
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<td>Beer/Wine</td>
<td>$70</td>
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<tr>
<td>Pet Food and Supplies (Cat)</td>
<td>$45</td>
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<tr>
<td>Public Transportation/Lyft/Uber</td>
<td>$35</td>
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<tr>
<td>Entertainment</td>
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<tr>
<td>Personal Care</td>
<td>$25</td>
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<tr>
<td>Travel (averaged for trips home)</td>
<td>$200</td>
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<tr>
<td>Vitamins/Supplements</td>
<td>$30</td>
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<tr>
<td>Other/Miscellaneous</td>
<td>$50</td>
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### ALLOTMENTS:

<table>
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<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Savings</td>
<td>$100</td>
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<tr>
<td>Combined Federal Campaign</td>
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### ACCOUNT BALANCES:

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<th>Description</th>
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<tr>
<td>Savings</td>
<td>$4,000</td>
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<tr>
<td>Checking</td>
<td>$2,000</td>
</tr>
<tr>
<td>Roth TSP</td>
<td>$7,500</td>
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<tr>
<td>Car Value</td>
<td>$12,000</td>
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### DEBTS:

<table>
<thead>
<tr>
<th>Creditor</th>
<th>Purpose</th>
<th>Balance</th>
<th>Monthly Payments</th>
<th>APR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Credit Union</td>
<td>Auto Loan</td>
<td>$14,000</td>
<td>$340</td>
<td>3.6%</td>
</tr>
<tr>
<td>Mastercard®</td>
<td>Credit Card</td>
<td>$3,500</td>
<td>$90</td>
<td>15.75%</td>
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<tr>
<td>Store Card</td>
<td>Jewelry</td>
<td>$2,750</td>
<td>$120</td>
<td>23.99%</td>
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### MONTHLY TOTAL:

$3166

### FINANCIAL DETAILS FOR TAYLOR WEBSTER

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<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Savings</td>
<td>$7,500</td>
</tr>
<tr>
<td>Checking</td>
<td>$900</td>
</tr>
<tr>
<td>Car Value (Paid Off)</td>
<td>$3,500</td>
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### DEBTS:

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<tr>
<th>Creditor</th>
<th>Purpose</th>
<th>Balance</th>
<th>Monthly Payments</th>
<th>APR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit Union</td>
<td>Credit Card</td>
<td>$7,500</td>
<td>$150</td>
<td>12%</td>
</tr>
<tr>
<td>Store Card</td>
<td>Credit Card</td>
<td>$3,800</td>
<td>$75</td>
<td>0% (for 6 months)</td>
</tr>
<tr>
<td>Federal Loan</td>
<td>Student Loan</td>
<td>$11,000</td>
<td>$112</td>
<td>5.9%</td>
</tr>
</tbody>
</table>

*This role play is a hypothetical situation. It is provided solely for the Command Financial Specialist Course.*
Jordan Dough
Navy LES
Role Play: Jordan Dough  
U.S. Navy LES

DEFENSE FINANCE AND ACCOUNTING SERVICE MILITARY LEAVE AND EARNINGS STATEMENT

<table>
<thead>
<tr>
<th>ID</th>
<th>NAME (Last, First, MI)</th>
<th>SOC SEC NO.</th>
<th>GRADE</th>
<th>PAY DATE</th>
<th>YRS SVC</th>
<th>ETS</th>
<th>XXXXX</th>
<th>BRANCH</th>
<th>ADSN/DESN</th>
<th>PERIOD COVERED</th>
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</thead>
<tbody>
<tr>
<td>01</td>
<td>DOUGHER, JORDAN</td>
<td>000-00-0000</td>
<td>000</td>
<td>00000000</td>
<td>000000</td>
<td>000</td>
<td>00000</td>
<td>000000</td>
<td>00000000</td>
<td>01-31 JANUARY 2020</td>
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ENTITLEMENTS

<table>
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<tr>
<th>Type</th>
<th>Amount</th>
<th>Type</th>
<th>Amount</th>
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</thead>
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<tr>
<td>Base Pay</td>
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<td>FEDERAL TAXES</td>
<td>90.00</td>
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<tr>
<td>BAS</td>
<td>397.71</td>
<td>FICA-SOC SECURITY</td>
<td>93.96</td>
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<tr>
<td>BAH</td>
<td>137.90</td>
<td>FICA-MEDICARE</td>
<td>9.97</td>
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<tr>
<td>D</td>
<td>25.00</td>
<td>SGU</td>
<td>5.50</td>
</tr>
<tr>
<td>E</td>
<td>92.84</td>
<td>TSP</td>
<td>92.84</td>
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<tr>
<td>F</td>
<td>120.13</td>
<td>MID-MONTH PAY</td>
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DEDUCTIONS

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<th>Type</th>
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<tr>
<td>TOTAL</td>
<td>2728.99</td>
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ALLOTMENTS

<table>
<thead>
<tr>
<th>Type</th>
<th>Amount</th>
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<tbody>
<tr>
<td>TOTAL</td>
<td>2728.99</td>
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SUMMARY

<table>
<thead>
<tr>
<th>Type</th>
<th>Amount</th>
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<tbody>
<tr>
<td>TOTAL</td>
<td>0.00</td>
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LEAVE

<table>
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<tr>
<th>Type</th>
<th>Base Rate</th>
<th>Base Pay Rate</th>
<th>Spec Pay Rate</th>
<th>Inc Pay Rate</th>
<th>Bonus Pay Rate</th>
<th>Bonus Pay Current</th>
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<tbody>
<tr>
<td>TOTAL</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
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CM AGGY CONTR

<table>
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<tr>
<th>Type</th>
<th>AGGY-AUTO</th>
<th>AGGY-MATCH</th>
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</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td>92.84</td>
<td>92.84</td>
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</table>

CONTRIBUTIONS

<table>
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<tr>
<th>Type</th>
<th>TSP YTD Deductions</th>
<th>YTD TSP Defined</th>
<th>YTD TSP Exempt</th>
<th>YTD TSP AGGY-AUTO</th>
<th>YTD TSP AGGY-MATCH</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td>0.00</td>
<td>0.00</td>
<td>92.84</td>
<td>92.84</td>
<td>92.84</td>
</tr>
</tbody>
</table>

REMARKS:

YTD ENTITLE 4792.89  
YTD DEDUCT 2545.29

Remarks:  
- This Pay Slip is a hypothetical situation for training purposes. It is provided solely for the Command Financial Specialist Course.

*This Pay Slip is a hypothetical situation for training purposes. It is provided solely for the Command Financial Specialist Course.*
Jordan Dough
USMC LES
**Role Play: Jordan Dough**  
**U.S. Marine Corps LES**

<table>
<thead>
<tr>
<th>ID</th>
<th>NAME (LAST, FIRST, M.I.)</th>
<th>SSN</th>
<th>RANK</th>
<th>SGT</th>
<th>SSM</th>
<th>PLT CODE</th>
<th>DATE PREP</th>
<th>DATE</th>
<th>B balances</th>
<th>POE</th>
<th>DIRECT DEPOSIT PAYMENT ADDRESS</th>
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<tbody>
<tr>
<td></td>
<td>DOUTH, JORDAN</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>200013</td>
<td>200015</td>
<td>200022</td>
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**B Foresament Amounts**  
- 20020215: $2,417.55
- 20020220: $2,417.55

**B LEAVE INFORMATION**  
- LV: 20
- ERNED: 21
- USED: 22
- EXCESS: 23
- BAL: 24
- MAX ACCLUAL: 25
- LOST: 26
- SOLD AS OF: 27
- BAL: 28

**B AVATION PAYMENT INFORMATION**  
- CIPPLY GATE INFORMATION: 32

**O TAX INFORMATION**  
- FLORIDE: 22
- EXEMPTIONS: 23
- WAGE THIS: 24
- WAGE THIS PRD: 25
- TAX: 26
- WAGE YTD: 27
- WAGE YTD: 28
- MEDICARE WAGES YTD: 29
- MEDICARE TAX YTD: 30

**I ADDITIONAL PAY INFORMATION**  
- 35 BAH: 36
- FEDERAL CIVILIAN: 37
- PEW: 38
- EARNED: 39
- USED: 40
- EXCESS: 41
- BAL: 42
- MAX ACCLUAL: 43
- LOST: 44
- SOLD AS OF: 45
-打ち下げ: 46
- 拠出: 47

**M RESERVE DRILL INFORMATION**  
- REG: 52
- REG: 53
- REG: 54
- REG: 55
- REG: 56
- REG: 57
- REG: 58
- REG: 59
- REG: 60
- REG: 61
- REG: 62

**R Remarks**  
- Entitlements: 63
- Brought Fwd: 64
- Code: 65
- Start: 66
- Amount: 67
- Amount: 68
- Amount: 69
- Amount: 70
- Amount: 71
- Amount: 72
- Amount: 73
- Amount: 74

**P PAYMENT**  
- PAY: 75
- DATE: 76
- DSSN: 77
- VEO: 78
- RUDPRO: 79

**N RESERVE RETIREMENT INFORMATION**  
- GROUP: 80
- DATE: 81

**K EDUCATION DEDUCTION**  
- 82 BAH: 83
- Zip: 84
- 85
- 86

**L ADMIN INFO**  
- FLORIDE: 87
- FLORIDE: 88
- FLORIDE: 89

**CODESTART: 20200215 AMOUNT: 3,394.50 TAXABLE FOR FITW, FITW & FCIFD: 200220150 REMARKS: **

**REMARKS:**  
- Brought Fwd: 0.00
- Code: 20200215 Amount: 3,394.50 Taxable for FITW, FITW & FCIFD: 200220150 Remarks:

```
MRR IS ENTITLED TO CONUS COLA. COMPUTED AMT IS: .00
"TAX TIME IS COMING. VERIFY YOUR TAX INFO AND RECEIVE STATEMENTS VIA MYMPAY.

*This Pay Slip is a hypothetical situation for training purposes. It is provided solely for the Command Financial Specialist Course.*
```
Jordan Dough
Army LES
# Defense Finance and Accounting Service Military Leave and Earnings Statement

<table>
<thead>
<tr>
<th>ID</th>
<th>NAME (Last, First, MI)</th>
<th>SOC SEC NO.</th>
<th>GRADE</th>
<th>PAY DATE</th>
<th>YRS SVC</th>
<th>ETS</th>
<th>XXXXX</th>
<th>BRANCH</th>
<th>ADSN/SSN</th>
<th>PERIOD COVERED</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DOUGLAS, JORDA</td>
<td>****XXXXXX</td>
<td>ES</td>
<td>XXXXX</td>
<td>7</td>
<td></td>
<td></td>
<td>ARMY</td>
<td>XXXXX</td>
<td>1-30 January 2020</td>
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## Entitlements

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<th>Type</th>
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<tr>
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<td>BAS</td>
<td>375.71</td>
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<td>BAH</td>
<td>1077.00</td>
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## Deductions

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<td>316.88</td>
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<td>FICA-SOC SECURITY</td>
<td>191.96</td>
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<td>FICA-MEDICARE</td>
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<td>AFRH</td>
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<td>ROTH TSP</td>
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<tr>
<td>MID MONTH PAY</td>
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## Allotments

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<td>ALLOTMENT SAVINGS</td>
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<tr>
<td>COMB FED CAMPAIGN</td>
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## Summary

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<th>Type</th>
<th>Amount</th>
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<tbody>
<tr>
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## LEAVE

<table>
<thead>
<tr>
<th>BP Bal</th>
<th>Bind</th>
<th>Used</th>
<th>CR Bal</th>
<th>ETS Bal</th>
<th>Lv Lost</th>
<th>Lv Paid</th>
<th>Use/Lost</th>
<th>FED TAXES</th>
<th>Wage Period</th>
<th>Wage YTD</th>
<th>MIS</th>
<th>Ex</th>
<th>AdjTax</th>
<th>Tax YTD</th>
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<tbody>
<tr>
<td>12.0</td>
<td>12.5</td>
<td>10.5</td>
<td>10.5</td>
<td>10.5</td>
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## FICA TAXES

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## PAY DATA

| BAQ Type | BAQ Dep | VHA Zip | BAQ Dep | BAQ Dep | BAQ Dep | VHA Zip | BAQ Dep | VHA Zip | BAQ Dep | VHA Zip | BAQ Dep | VHA Dep | VHA Zip | BAQ Dep | VHA Zip | BAQ Dep | VHA Zip | BAQ Dep | VHA Zip | BAQ Dep | VHA Zip | BAQ Dep | VHA Zip | BAQ Dep | VHA Zip | BAQ Dep | VHA Zip |
|----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|          |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |
|          |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |

## Traditional Plan (TSP)

<table>
<thead>
<tr>
<th>Base Pay Rate</th>
<th>Base Pay Current</th>
<th>Spec Pay Rate</th>
<th>Spec Pay Current</th>
<th>Inc Pay Rate</th>
<th>Inc Pay Current</th>
<th>Bonus Pay Rate</th>
<th>Bonus Pay Current</th>
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## Roth Plan

<table>
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<th>Base Pay Rate</th>
<th>Base Pay Current</th>
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<th>Spec Pay Current</th>
<th>Inc Pay Rate</th>
<th>Inc Pay Current</th>
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## CM AGENCY CONTR

<table>
<thead>
<tr>
<th>TSP YTD Deductions</th>
<th>YTD TSP Defined</th>
<th>YTD TSP Exempt</th>
<th>YTD TSP AGGY-AUTO</th>
<th>YTD TSP AGGY-MATCH</th>
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</thead>
<tbody>
<tr>
<td>0</td>
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</tbody>
</table>

## Remarks

- Remarks: IF TSP CONTRIBUTIONS EXCEEDS NET ATM ACCOUNT DUE, TSP WILL NOT BE DEDUCTED.
- YOUR 2019 FEDERAL AND STATE INCOME TAXES ARE DUE FOR TAX ASSISTANCE AND ELECTRONIC FILING, TAKE YOUR W-2 FORM TO YOUR INSTALLATION TAX ASSISTANCE CENTER OR SUPPORTING LEGAL ASSISTANCE OFFICE. DONT DELAY FILE TODAY. GET YOUR TAX REFUND IN LESS THAN HALF THE TIME BY USING E-FILING WITH DIRECT DEPOSIT TO YOUR BANK ACCOUNT RIGHT TO GO TO WWW.IRS.GOV EFILE AND WWW.WTAS.TREAS.GOV/EF/WW.MILITARYSAVES.COM. ADD FEDERAL AND STATE TAX PREPARATION AND FILING. LOG ON OR CALL 1-800-342-9667 TODAY.
- IF YOU GET MARRIED? HAVE A BABY? SHARE THE GOOD NEWS WITH YOUR PERSONNEL OFFICE, THEY'LL MAKE SURE YOU GET PAID RIGHT.

[FINANCIAL READINESS CAMPAIGN, YOU'RE ENCOURAGED TO PARTICIPATE IN MILITARY SAVES MONTH. WWW.MILITARYSAVES.ORG, START SMALL, THINK BIG. WITH A DUTY TIME 00000, MEMBER'S SGLI COVERAGE AMOUNT IS $400,000 BASED ON SINGLE, ZIP 92103, PNC BANK XYZ CREDIT UNION YTD. ALLOT - XYZ CREDIT UNION = 100.00 ALLOT - COMB FIN CAMPAIGN = 20.00]

*This Pay Slip is a hypothetical situation for training purposes. It is provided solely for the Command Financial Specialist Course.*
Jordan Dough
USCG Payslip
Role Play: Jordan Dough  
U.S. Coast Guard Payslip

<table>
<thead>
<tr>
<th>U.S. Department of Homeland Security</th>
<th>United States Coast Guard / NOAA</th>
</tr>
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<tbody>
<tr>
<td>Pay Group: USCG, Active Duty</td>
<td>Active and Reserve</td>
</tr>
<tr>
<td>Pay Begin Date: 2023-04-16</td>
<td>Statement of Semi-Monthly Income</td>
</tr>
<tr>
<td>Pay End Date: 2023-04-30</td>
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<table>
<thead>
<tr>
<th>Employee ID: 3404365</th>
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</thead>
<tbody>
<tr>
<td>Rank: YN2</td>
</tr>
<tr>
<td>Pay Grade: E5</td>
</tr>
<tr>
<td>Department: BASE Kodiak</td>
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<tr>
<td>Retirement Plan: None</td>
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</table>

**TAX DATA:** Federal 0%  
State 0%

<table>
<thead>
<tr>
<th>Description</th>
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<th></th>
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</thead>
<tbody>
<tr>
<td>Earnings</td>
<td></td>
<td></td>
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<tr>
<td>Basic Pay</td>
<td>157.20</td>
<td></td>
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<tr>
<td>Uniform Allowance</td>
<td>21.80</td>
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<tr>
<td>COLA</td>
<td>391.39</td>
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<tr>
<td>TOTAL</td>
<td>981.69</td>
<td>981.69</td>
</tr>
</tbody>
</table>

**DEDUCTIONS**  
**ALLOCATIONS**  

<table>
<thead>
<tr>
<th>Description</th>
<th>Current</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Pay</td>
<td>157.20</td>
<td></td>
</tr>
<tr>
<td>Uniform Allowance</td>
<td>21.80</td>
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<tr>
<td>COLA</td>
<td>391.39</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>981.69</td>
<td>981.69</td>
</tr>
</tbody>
</table>

**LEAVE SUMMARY**  

<table>
<thead>
<tr>
<th>Begin Regular Leave Balance</th>
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</thead>
<tbody>
<tr>
<td>Regular Leave Earned</td>
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<tr>
<td>- Regular Leave Used</td>
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</tr>
<tr>
<td>- Regular Leave Lost</td>
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</tr>
<tr>
<td>- Regular Leave Sold</td>
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<tr>
<td>End Regular Leave Balance</td>
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<td>End Reserve Leave Balance</td>
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</tr>
<tr>
<td>End Special Leave Carryover Balance</td>
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<tr>
<td>Regular Leave Sold (Career-to-date)</td>
<td>0.0</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
</tr>
</tbody>
</table>

**REMARKS:**  
- Can reduce your taxable income, as well as set aside funds for retirement, by participating in the Thrift Savings Plan (TSP). For info on TSP, see http://www.uscg.mil/pc/tsp/asptotal.
- TSP ROTH Election 3% Basic Pay 0% Special Pay 0% Bonus 0% Incentive Pay
- YTD Automatic 1% Agency Contribution Is $30.96
- YTD Agency Matching Contribution Is $9.84
- Current Automatic 1% Agency Contribution Is $15.47
- Current Agency Matching Contribution Is $15.47

**This Payslip is a hypothetical situation for training purposes. It is provided solely for the Command Financial Specialist Course.**
Index

- eFPW Instructions from the How-to Guide
- Financial Planning Worksheet (FPW)
Creating your Spending Plan via the electronic Financial Planning Worksheet (eFPW) Excel File

A spending plan is just that — a plan — a way of spending your money on paper, on purpose, with intention. Implementing a plan will help you achieve financial goals by measuring and managing your money.

1. **Spending Your Money on Paper and on Purpose**: A spending plan is a written method of spending your money with intention.

2. **Gives Every Dollar a Name**: It is telling your money where to go instead of trying to figure out where it went.

3. **Means of Achieving Your Goals**: A spending plan is your roadmap or your blueprint for achieving your goals.

**Pro Tip**: Before you begin using the eFPW, save a master copy to your hard drive as a working copy in case formulas are deleted while providing counseling.

**Preparing a Spending Plan (Budget)**

Preparing a spending plan (or budget) can be as simple or as detailed as you want. It can be done with pencil and paper or an Excel spreadsheet like the electronic Financial Planning Worksheet (eFPW). There are computer software and apps available for those who prefer to have access to their budget online or across devices.

Developing spending plan (budget) consists of four basic steps:

1. **Determine how much money you receive every month**: Net Income is defined as your gross pay after taxes. This includes federal and state taxes along with Social Security and Medicare deductions. If you receive income from another job, a business you may own, child support, or your spouse earns income, this can be included. Also include rental income you may receive if you own rental property and have a tenant paying you rent each month.
2. **Determine what you spend each month on living expenses.** Living expenses are the required and essential costs needed to maintain an adequate living environment for your household. Living expenses are typically broken down into two categories:
   a. **Fixed Expenses** are a set amount paid out monthly and often include rent/mortgage, insurance, internet, cell phone, streaming and gaming services.
   b. **Variable Expenses** are generally based on usage or necessity and can be adjusted to fit your current living situation. These include groceries, dining out/takeout, entertainment, utilities, transportation, personal care, gifts, donations, and vacations.

   **HINT:** For variable expense that happen semi-annually, annually, every two years, etc., take the total amount and divide by the number of months until the next payment. For example: An auto insurance six month premium of $650. Take the $650 and divide it by 6, which will give you a monthly rate of $108.33.

   **Pro Tip:** If you are not sure how much you spend in a specific area, use your monthly bank and/or credit card statements to review your spending habits and bill payments.

   **Pro Tip:** Make sure to pay yourself first by including a set monthly amount that will go toward your (ideally 10% or more) savings contribution for your emergency, TSP, retirement, reserve and long-term savings goals.

3. **Calculate your minimum monthly payments due.** This includes loans, credit cards, student loans, and other credit lines, for example like a car, boat, or motorcycle that you purchased on a monthly installment plan.

4. **Determine whether you have a surplus** (money left over) **or a deficit** (more money going out than coming in) **at the end of the month.** To calculate,
   a. Take your total monthly net income.
   b. Subtract your monthly savings including investments contributions, living expenses and monthly debt payments.
   c. The total will either be positive, which is your surplus, or negative, which is your deficit. If you are accounting for all of the net income your total should be zero.
   d. If you truly have a surplus, this means that money is left over at the end of the month for you to either increase your savings, goals, and investments, or to pay extra towards monthly debts.
   e. If your total is a negative amount, review your calculations for errors to ensure there are no mistakes. If the deficit is correct, it is time to review your budget to make changes to how you spend money.

   **Pro Tip:** In the eFPW Financial Links Tab, there are links available to assist you in creating a sustainable financial plan.

**Net Worth Tab**
The Net Worth Tab provides an overall picture of your finances. Your net worth is all assets minus all liabilities, or what you own minus what you owe. This is a measure of wealth. Ideally, you should have a positive net worth, but for many people just starting out, it is not uncommon to have a negative net worth.

**Pro Tip:** Calculate your net worth should be done at least annually.

To begin, you will need your most current bank, credit card and loan statements showing your balances. Also, be sure to have your TSP and other non-retirement investment statements, mortgage balances, and the value of any real estate, vehicles and valuable personal property.

1. Populate your current retirement plan information and the percentages being contributed to the Roth and Traditional TSP plans. You will see that there are two columns, the left being the actual retirement plan numbers, and the right column is projected – which allows you to plan for income changes or consider other scenarios.

**Hint:** The columns of actual and projected are found through the entire eFPW. Use the actual for the current picture and the projected for changes.

2. In the statement of Net Worth section, populate the assets and investments fields with your account balances. In the Real Estate section, find the value of your primary residence and any rental property owned, as well as the value of a vacation home, trailer, and time-share. In the Personal Property Section, find the value of your vehicles/motorcycle/boats – list year/make/model in the Remarks. Estimate $1000 per room for furniture, appliances, and electronics. This prevents having to itemize and research each items value.

**Hint:** Use websites like Realtor.com, Zillow.com or Redfin.com for home value estimates. Use websites like NADA.com, KBB.com or Edmunds.com for vehicle value estimates.

3. Populate the liabilities you have – loans, credit cards, advance/over payments, loans against your TSP. You can use the blank areas at the bottom of this section to add additional liabilities you may have.

4. Add in the mortgage balance(s) due for your primary residence, rental property, or other real estate.

5. Use the remarks section for any notes/reminders.
6. Once the fields are populated, the assets and liabilities will be totaled, and your net worth will be revealed – in green if it is positive (more assets than liabilities) and red if it is negative (more liabilities than assets).

![Net Worth Diagram]

7. If you have been referred to a Command Financial Specialist or Financial Counselor at your Service’s Family Readiness Center for financial counseling or screening, ensure the completed eFPW is signed and dated by the counselor and the counselee.

**Income Tab**

1. Input Base Pay, Basic Allowance for Housing (BAH) and Basic Allowance for Subsistence (BAS) from your current end of month leave and earnings statement (LES) on the Income Tab. In the Remarks, identify the type of BAH (i.e. single, with dependents, OHA).

**Pro Tip:** COAST GUARD use the area on the right of the Income Tab to enter all Payslip data. This will auto populate (be doubled) to capture your monthly totals. If your data is not doubling, open your master eFPW and start over.

2. Input any special pays from LES or Payslip such as flight deck, sea, sub, etc. Identify any special pays in the Remarks.
3. Input any allowances from your LES or Payslip such as family separation, clothing allowance, COLA, etc. Identify any special allowances in the Remarks.

**Pro Tip:** Refer to Financial Links Tab to find pays and entitlements information.

**Taxes/FICA/AFRH**

1. Include the Federal Taxes (FITW), FICA, State, and AFRH from your LES or Payslip in the actual and projected blocks provided. Input the dollar amounts in the corresponding blocks.

**Pro Tip:** When calculating taxes/FICA/AFRH in the projected column, use the resources in the Financial Links Tab to help estimate the changes in taxes

2. In the Remarks, put the actual and projected filing status.
3. Include the state identified on the LES or Payslip.
4. Other Income after taxes **Add 2nd active section
5. Enter manually the second active duty after-tax income if it does not auto populate from 2nd Active Tab.
6. For each additional source of income, add up the source of weekly, bi-weekly or semi-monthly income. Input the monthly net income amount into the corresponding blocks, according to its income source.

**Deductions:**

1. Enter all allotments listed on the LES or Payslip in the Allotment Section. Identify all allotments in the Remarks. If you enter any allotments into the Deductions Section, be sure to account for those allotments somewhere else on the worksheet under Expenses Tab. 

   **Hint:** $1,900 allotment for housing should be entered as mortgage/rent/PPV under Expenses Tab and a $50 allotment for Aid Society Loan should be entered on the Indebtedness Tab.

2. Enter the meal deduction dollar amount. This should auto-populate to the Expenses Tab. If not, you will need to manually enter.

3. For the remainder of the deductions, input them on the lines provided from your LES or Payslip. In the Remarks, add the coverage and end dates where appropriate.

4. Manually enter the 2nd active total deductions if they do not auto-populate from the 2nd Active Tab.

**Expenses Tab**

1. On the Expenses Tab, enter your monthly savings and expenses. If you budget by making allocations from each paycheck, enter the budget amount in the 1st and/or 15th columns. Otherwise, enter the total in either the 1st or the 15th line; this will be totaled into the monthly column. The rows with gray fields are auto populated from the Income Tab.

2. Ideally, 10% or more of your income will go toward savings and investments. Utilize the projected column to visualize the impact of increasing savings and investment amounts.
Hint: Row 12 shows the percentage you are setting aside.

3. Enter your living expenses. Do not forget to account for non-regular expenses like birthdays, holidays, and annual dues. Look through past bank or credit card statements to total up those expenses, divide by 12, and set aside that amount on a monthly basis so that you are prepared for the expenses when the bills arrive.
Hint: The blue sub-categories can be renamed to customize the fields.

Pro Tip: If you entered allotments in the Deductions section on the Income Tab, be sure to account for the allotment here in the Expenses Tab.

4. Once all the expenses have been entered, check the totals at the bottom of the page. Your living expenses ideally should be under 70% of your net income. Use the projected column to work through spending changes or to plan for an upcoming life-change.
Hint: Do not project more than three months out.

**Indebtedness Tab**

1. Fill in the corresponding blocks to input creditor’s names, type of credit, remaining balance, APR, and the minimum payment paid on the 1st and/or the 15th.
Hint: Check out the Financial Links Tab to find the debt elimination website that works best for you or use the imbedded My Debt Destroyer feature.

<table>
<thead>
<tr>
<th>Debt Obligations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Creditor</strong></td>
</tr>
<tr>
<td>US Government</td>
</tr>
<tr>
<td>US Government</td>
</tr>
<tr>
<td>US Government</td>
</tr>
</tbody>
</table>

Pro Tip: If you entered allotments in the Deductions section on the Income Tab, be sure to account for the allotment here in the Indebtedness Tab. Do not enter mortgage information on this page unless it is for a rental property or if you want to use the Debt Destroyer™ feature to include that debt.

2. The estimated monthly payment column is strictly an estimate to give you an idea what the payment could be, should you not have your statement on-hand. Always pay at least the minimum amount required by your creditors as indicated on your monthly statements.

Pro Tip: Focusing on paying down one debt at a time will decrease the amount of interest paid to the creditor and will decrease the time to become debt free. Utilize the Debt Destroyer Tab for guidance on considering the snowball or avalanche methods of debt repayment.

3. Enter the credit limit granted by your creditors. This will auto-populate your credit utilization, or your percentage of credit used.

Hint: Credit utilization above 30% will negatively influence your credit score.

4. Use the Remarks to state delinquent accounts, collection accounts, disputed accounts, etc.

Cash Flow Summary:

1. This section provides a snapshot of your financial situation, including your debt-to-income ratio and whether there is a surplus or deficit.
2. If there is a deficit, verify your calculations. If there is still a deficit, consider three ways things to improve your financial situation. Increase your income, decrease your living expenses, or decrease your debts. Show changes in the projected column.

**Debt-to-Income Ratio:**

1. Take your monthly Net Income and divide it by 70%, 20%, and 10% as follows:
   A. 70% - Total monthly living expenses (includes mortgage or rent)
   B. 20% - Total debt obligations
   C. 10% - Applied toward savings goals

2. This quick check will help you stay on track and meet your financial goals.
3. Your debt-to-income ratio should be less than 20%.

   **Hint:** If you have no debt, then apply more toward savings goals.

**Financial Health Assessment Tab**

The Financial Health Assessment Tab of the eFPW is the wrap up, using data from the prior tabs in the Worksheet. The top section highlights key information found in each tab, creating an easy-to-read summarization breaking down of your financial picture.
### Income Analysis

The pie charts above provide a breakdown in numerical and percentage formats of how the actual and projected net monthly income is being spent in the listed categories.

### Action Plan

The Action Plan is a list of recommendations made during the counseling session that the counselee determined they wanted to consider or implement. These are counselee driven, not counselor driven.
SMART Goals

SMART Goals are Specific, Measurable, Attainable, Realistic, and Timely (SMART). To create a SMART financial goal, take the total amount of the financial goal and determine how much time you are giving yourself to achieve this goal. Divide the amount of your goal with the number of months until achieved. This will give you an amount to save each month to achieve the goal. For example, if you want to save $600 for a trip next year, divide $600 by 12 months, which equates to $50 a month. This means you would either need to save $50 a month or $25 a paycheck.

Debt Destroyer

Conveniently located in your eFPW, the Debt Destroyer is intended to help evaluate different debt repayment methods.

The Debt Obligation section will have the Creditor, Type of Credit, Balance, APR (%), and Payment information auto-populated with the information entered in the Debt Obligation section on the Indebtedness tab.

You can choose to exclude specific debts from the repayment schedules by checking the box under the “Exclude” column.
Hint: For example, if you have a student loan that you are currently not making payments on, and would like to exclude that debt from the repayment schedules, click on the box that corresponds with that debt.

### DEBT DESTROYER

<table>
<thead>
<tr>
<th>#</th>
<th>Creditor</th>
<th>Type</th>
<th>Balance</th>
<th>APR (%)</th>
<th>Payment</th>
<th>Exclude</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>US Government</td>
<td>Govt. CC</td>
<td>$ 365.00</td>
<td>0.00%</td>
<td>$ 12.00</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>ABC Credit Card</td>
<td>cc</td>
<td>$ 4,500.00</td>
<td>22.00%</td>
<td>$ 135.00</td>
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</tr>
<tr>
<td>3</td>
<td>Priority Card</td>
<td>CC</td>
<td>$ 1,500.00</td>
<td>14.99%</td>
<td>$ 50.00</td>
<td>✓</td>
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<tr>
<td>4</td>
<td>First Bank Loans</td>
<td>Loan</td>
<td>$ 12,000.00</td>
<td>12.00%</td>
<td>$ 400.00</td>
<td></td>
</tr>
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</table>

Next, complete the Extra Payments section if you have a surplus (extra money left over) in your budget to make additional monthly or a one-time payment toward your debts.

Hint: Any extra payments will only be applied toward projected payments / future debts.

Pro Tip: If the surplus or deficit section has a negative number, go back to the Expenses Tab and make adjustments to the projected living expense amounts to create a surplus that can help with debt repayment.

If a surplus is available in your budget and you would like all or part of those additional funds to apply to the monthly debt payments, then enter the desired amount under Extra Payment (Monthly).

If you have a one-time payment that you would like to make, enter the date in month, day, and year format (mm/dd/yyyy) and then the one-time payment amount. This will add the one-time payment into the payment schedules during that specific time frame.

Hint: Use money received from income tax returns, bonus payments, inheritances, legal settlements, etc. for one-time payments.

Pro Tip: Adding an extra monthly payment will automatically change the Projected Surplus or Deficit totals on the Debt Destroyer, Indebtedness, and the Health Assessment Tabs. Adding a one-time payment will not change the totals.
After you have completed the Extra Payments section, review the Repayment Methods section for a detailed explanation of the Avalanche, Snowball, and Minimum Balance re-payment approaches.

**Hint:** The minimum payment method only takes into consideration monthly payments without the Debt Destroyer payoff methods applied.

**Pro Tip:** Some clients may want to choose this method to keep additional cash in their pockets. However, a good practice is to work all present and future expenses into the budget to help develop a surplus that can be applied toward savings goals and the Debt Destroyer.

<table>
<thead>
<tr>
<th>Extra Payments</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Payment Type</td>
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<td>Amount</td>
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<td>Extra Payment (Monthly)</td>
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<td>One-Time Payment</td>
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<tr>
<td>One-Time Payment</td>
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<td></td>
</tr>
<tr>
<td>Projected Surplus or Deficit</td>
<td>$265.00</td>
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</tr>
</tbody>
</table>

Now it is time to review the Repayment Option Comparison section. The Repayment Option Comparison provides a side-by-side comparison of the Avalanche, Snowball, and Minimum Payment methods. This comparison is intended to help you determine the total time and money that you could be saving using the different Debt Destroyer repayment methods.
Once you fully understand the repayment options, click on the corresponding tab to view Payment Schedules for each method. The Payment Schedules provide you with a detailed payment plan to “Destroy” your debt. The repayment schedule will start with the first month after the eFPW has been completed and gives you the amounts to be paid each month until all debt has been repaid.
To view the Summary Tables for each of the individual creditors, scroll to the far right within each tab. You should be able to view interest paid, running balance, number of payments, and payoff date for each individual debt.

Notice that once the final payments are made on the first debt, the entire payment goes to the next debt in line to be paid off. The same thing will happen for each debt remaining. This way, even if you cannot budget any additional money towards your debt, they will still be paid off faster than if you were paying the minimum payments, although an infusion of extra cash is always a nice boost to the payoff.

**Hint:** The Priority Card debt in the Debt Obligation example above that had the “Exclude” box checked does not show up in the Avalanche or Snowball Payment Schedules. It will only show on the Minimum Balance Payment Schedule.

<table>
<thead>
<tr>
<th>#</th>
<th>Date</th>
<th>ABC Credit Card</th>
<th>First Bank Loans</th>
<th>US Government</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Sep 2020</td>
<td>$635.00</td>
<td>$400.00</td>
<td>$12.00</td>
</tr>
<tr>
<td>2</td>
<td>Oct 2020</td>
<td>$835.00</td>
<td>$400.00</td>
<td>$12.00</td>
</tr>
<tr>
<td>3</td>
<td>Nov 2020</td>
<td>$635.00</td>
<td>$400.00</td>
<td>$12.00</td>
</tr>
<tr>
<td>4</td>
<td>Dec 2020</td>
<td>$635.00</td>
<td>$400.00</td>
<td>$12.00</td>
</tr>
<tr>
<td>5</td>
<td>Jan 2021</td>
<td>$635.00</td>
<td>$400.00</td>
<td>$12.00</td>
</tr>
<tr>
<td>6</td>
<td>Feb 2021</td>
<td>$635.00</td>
<td>$400.00</td>
<td>$12.00</td>
</tr>
<tr>
<td>7</td>
<td>Mar 2021</td>
<td>$635.00</td>
<td>$400.00</td>
<td>$12.00</td>
</tr>
<tr>
<td>8</td>
<td>Apr 2021</td>
<td>$104.02</td>
<td>$930.98</td>
<td>$12.00</td>
</tr>
</tbody>
</table>

**ABC Credit Card - Summary Table**

<table>
<thead>
<tr>
<th>Payment</th>
<th>#</th>
<th>Date</th>
<th>Amount Owed</th>
<th>Interest</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>$635.00</td>
<td>1</td>
<td>Sep 2020</td>
<td>$4,500.00</td>
<td>$70.86</td>
<td>$3,935.86</td>
</tr>
<tr>
<td>$835.00</td>
<td>2</td>
<td>Oct 2020</td>
<td>$3,935.86</td>
<td>$56.85</td>
<td>$3,157.71</td>
</tr>
<tr>
<td>$635.00</td>
<td>3</td>
<td>Nov 2020</td>
<td>$3,157.71</td>
<td>$46.25</td>
<td>$2,568.96</td>
</tr>
<tr>
<td>$635.00</td>
<td>4</td>
<td>Dec 2020</td>
<td>$2,568.96</td>
<td>$35.46</td>
<td>$1,969.41</td>
</tr>
<tr>
<td>$635.00</td>
<td>5</td>
<td>Jan 2021</td>
<td>$1,969.41</td>
<td>$24.46</td>
<td>$1,358.88</td>
</tr>
<tr>
<td>$635.00</td>
<td>6</td>
<td>Feb 2021</td>
<td>$1,358.88</td>
<td>$13.27</td>
<td>$737.15</td>
</tr>
<tr>
<td>$635.00</td>
<td>7</td>
<td>Mar 2021</td>
<td>$737.15</td>
<td>$1.87</td>
<td>$104.02</td>
</tr>
<tr>
<td>$635.00</td>
<td>8</td>
<td>Apr 2021</td>
<td>$104.02</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
Your commitment to repaying your debt can yield many benefits! Not only will you no longer have payment obligations, you will be able to direct the money that had previously been going toward debt repayment to achieving your next set of financial goals. When you think about how you got into debt, you can work on changing your spending habits. You will be able to add to your emergency fund so you don’t have to rely on credit in a pinch. Control overspending by sticking to your budget, and plan and save for future expenses. Changes to your money habits matter, and they will be especially apparent as you see your Net Worth grow. While it may take a while, keep your eye on the prize: becoming debt-free and having the choice about how to spend your money.

**Next Steps**

Congratulations! You have taken the time to deep dive into your financial health. You have likely learned more about your (or your client’s) situation and gleaned information that can shape the best options for financial decision making.

This plan should be updated regularly. Are you able to keep to the numbers in the living expenses section? Do you need to make changes to make the spending plan more realistic? Did you save towards the goals you identified? Check your spending in the months ahead to see if you were able to follow this plan or if you need to make adjustments. This living, breathing document should change as your situation does. The best plans are realistic. Keep fine-tuning your plan and you will stay on top of your financial health!

**Creating your Spending Plan Worksheet via the PDF**

(This version does not have a Debt Destroyer function)

A spending plan is just that — a plan — a way of spending your money on paper, on purpose, with intention. Implementing a plan will help you achieve financial goals by measuring and managing your money.

4. **Spending Your Money on Paper and on Purpose:** A spending plan is a written method of spending your money with intention.

5. **Gives Every Dollar a Name:** It is telling your money where to go instead of trying to figure out where it went.

6. **Means of Achieving Your Goals:** A spending plan is your roadmap or your blueprint for achieving your goals.

**Pro Tip:** Before you begin using the PDF, save a master copy to your hard drive before entering data.
### Financial Planning Worksheet

<table>
<thead>
<tr>
<th>Retirement Plan: Legacy or BRS</th>
<th>Indicate Touchpoint Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay Grade</td>
<td>Projected Pay Grade</td>
</tr>
<tr>
<td>Years in Service</td>
<td>Projected Years in Service</td>
</tr>
<tr>
<td>Roth TSP %</td>
<td>Projected Roth TSP %</td>
</tr>
<tr>
<td>Traditional TSP %</td>
<td>Projected Traditional TSP %</td>
</tr>
<tr>
<td>Total TSP %</td>
<td>Projected Total TSP %</td>
</tr>
</tbody>
</table>

### Statement of Net Worth

#### Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash (On Hand)</td>
<td>$</td>
</tr>
<tr>
<td>Checking Accounts</td>
<td>$</td>
</tr>
<tr>
<td>Savings Accounts</td>
<td>$</td>
</tr>
<tr>
<td>Certificates of Deposits</td>
<td>$</td>
</tr>
</tbody>
</table>

#### Investments

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thrift Savings Plan (Traditional) Balance</td>
<td>$</td>
</tr>
<tr>
<td>Thrift Savings Plan (Roth) Balance</td>
<td>$</td>
</tr>
<tr>
<td>Cash Value of Life Insurance (not SGLI)</td>
<td>$</td>
</tr>
<tr>
<td>U.S. Savings Bonds</td>
<td>$</td>
</tr>
<tr>
<td>Mutual Funds</td>
<td>$</td>
</tr>
<tr>
<td>Money Markets</td>
<td>$</td>
</tr>
<tr>
<td>Stocks/Bonds (In-App Investments)</td>
<td>$</td>
</tr>
<tr>
<td>College Funds</td>
<td>$</td>
</tr>
<tr>
<td>401(k) / 403(b) / IRA, etc.</td>
<td>$</td>
</tr>
</tbody>
</table>

#### Real Estate (Market Value)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Residence</td>
<td>$</td>
</tr>
<tr>
<td>Rental Property</td>
<td>$</td>
</tr>
<tr>
<td>Rental Property</td>
<td>$</td>
</tr>
<tr>
<td>Other Property (Vacation, Trailer, Time Share)</td>
<td>$</td>
</tr>
</tbody>
</table>

#### Personal Property (Resale Value)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vehicles/Motorcycles/Boats</td>
<td>$</td>
</tr>
<tr>
<td>Furniture/Appliances/Electronics</td>
<td>$</td>
</tr>
<tr>
<td>Jewelry</td>
<td>$</td>
</tr>
<tr>
<td>Other (Collectibles, Tools, etc.)</td>
<td>$</td>
</tr>
</tbody>
</table>

### Liabilities (Manually Enter from Indebtedness Page)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto Loans</td>
<td>$</td>
</tr>
<tr>
<td>Signature Loans</td>
<td>$</td>
</tr>
<tr>
<td>Consolidation Loans</td>
<td>$</td>
</tr>
<tr>
<td>Student Loans</td>
<td>$</td>
</tr>
<tr>
<td>Military Star Card (AAFES)</td>
<td>$</td>
</tr>
<tr>
<td>Department Store Cards</td>
<td>$</td>
</tr>
<tr>
<td>Other Credit Cards</td>
<td>$</td>
</tr>
<tr>
<td>NMCRS, AER, AFAS, CGMA</td>
<td>$</td>
</tr>
<tr>
<td>TSP Loans</td>
<td>$</td>
</tr>
<tr>
<td>Advance/Over Payments</td>
<td>$</td>
</tr>
<tr>
<td>Other Loans (Friends, Relatives, etc.)</td>
<td>$</td>
</tr>
<tr>
<td>Contingent Liabilities (Legal, Tax Debt, etc.)</td>
<td>$</td>
</tr>
</tbody>
</table>

### Real Estate (Balance Due)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Residence</td>
<td>$</td>
</tr>
<tr>
<td>Rental Property</td>
<td>$</td>
</tr>
<tr>
<td>Rental Property</td>
<td>$</td>
</tr>
<tr>
<td>Other Property (Vacation, Trailer, Time Share)</td>
<td>$</td>
</tr>
</tbody>
</table>

### Remarks

- Remarks

### TOTAL ASSETS

- $ 

### TOTAL LIABILITIES

- $ 

### NET WORTH

- $ 

**Updated on 12/01/20**
## Monthly Income

### Entitlements

<table>
<thead>
<tr>
<th>Monthly</th>
<th>Projected</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>* Base Pay</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Basic Allowance Housing (BAH)</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Basic Allowance for Subsistence (BAS)</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>* Special Pay</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>* Special Pay</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>* Special Pay</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Allowance</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Allowance</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Allowance</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Allowance</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>GROSS PAY</strong></td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

* Family Income: Note: Pay Entitlements are taxable, Allowance Entitlements are non-taxable.

### Federal & State Taxes

<table>
<thead>
<tr>
<th>Monthly</th>
<th>Projected</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Income Tax Withholding</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>FICA (Social Security)</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>FICA (Medicare)</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>State Income Tax Withholding</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Armed Forces Retirement Home</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>TOTAL TAXES</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

### Net Military Income

<table>
<thead>
<tr>
<th>Monthly</th>
<th>Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GROSS PAY - TOTAL TAXES</strong></td>
<td>$</td>
</tr>
</tbody>
</table>

### Other Income (After Taxes)

<table>
<thead>
<tr>
<th>Monthly</th>
<th>Projected</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>2nd Active Duty Income</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Spouse's Income</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Second Job</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Rental Income</td>
<td>$</td>
<td>$</td>
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<tr>
<td>Retirement Income</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Post 9/11 Housing Allowance Benefits</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Supplemental Security Income (SSI)/Veterans Assistance Disability Benefits</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Child Support/Alimony (Received Income)</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>TOTAL OTHER INCOME</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

### Total Net Income

<table>
<thead>
<tr>
<th>Monthly</th>
<th>Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET MILITARY INCOME + TOTAL OTHER INCOME</strong></td>
<td>$</td>
</tr>
</tbody>
</table>

### Deductions

<table>
<thead>
<tr>
<th>Monthly</th>
<th>Projected</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALLOTMENT (Remember to Record This Data in Other Sections)</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>ALLOTMENT (Remember to Record This Data in Other Sections)</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>ALLOTMENT (Remember to Record This Data in Other Sections)</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>ALLOTMENT (Remember to Record This Data in Other Sections)</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>ALLOTMENT (Remember to Record This Data in Other Sections)</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>ALLOTMENT (Remember to Record This Data in Other Sections)</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Meal Deduction</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Service Members Group Life Insurance (SGLI)</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Traumatic SGLI (TSGLI)</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Family SGLI (FSGLI) Spouse and Child Coverage</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>TSP ( Roth)</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>TSP (Traditional)</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Montgomery GI Bill (MGB)</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Tricare Dental Plan (TDP) Family Coverage</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Federal Vision Insurance Plan (FedVIP) Family Coverage</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Advance Payments</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Overpayments</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Survivor Benefit Plan (SBP)</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>2nd Active Duty Total Deductions</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>TOTAL DEDUCTIONS</strong></td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

### Total Take Home Pay

<table>
<thead>
<tr>
<th>Monthly</th>
<th>Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL NET INCOME - TOTAL DEDUCTIONS</strong></td>
<td>$</td>
</tr>
</tbody>
</table>

* Family Income*: Note: Pay Entitlements are taxable, Allowance Entitlements are non-taxable.
## Entitlements

<table>
<thead>
<tr>
<th>Description</th>
<th>Actual</th>
<th>Projected</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>* Basic Pay</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic Allowance Housing (BAH) / Overseas Housing Allowance (OHA)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic Allowance for Subsistence (BAS)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>* Special Pay</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>* Special Pay</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>* Special Pay</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allowance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allowance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allowance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allowance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>GROSS PAY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Taxable Income  Note: Pay Entitlements are taxable, Allowance Entitlements are non-taxable.

## Federal & State Taxes

<table>
<thead>
<tr>
<th>Description</th>
<th>Actual</th>
<th>Projected</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Income Tax Withholding (FITW)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Filing Status:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FICA (Social Security)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FICA (Medicare)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Income Tax Withholding</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Claimed:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Armed Forces Retirement Home (AFRH)</td>
<td></td>
<td></td>
<td>(Applies to Enlisted Service Members or Prior Enlisted Officers)</td>
</tr>
<tr>
<td><strong>TOTAL TAXES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Net Military Income

<table>
<thead>
<tr>
<th>Description</th>
<th>Actual</th>
<th>Projected</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GROSS PAY - TOTAL TAXES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Deductions

<table>
<thead>
<tr>
<th>Description</th>
<th>Actual</th>
<th>Projected</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALLOTMENT (Remember To Record This Data In Other Sections)</td>
<td></td>
<td></td>
<td>(For/End/7)</td>
</tr>
<tr>
<td>ALLOTMENT (Remember To Record This Data In Other Sections)</td>
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<td>(For/End/7)</td>
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<tr>
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<td>(For/End/7)</td>
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<tr>
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<td>(For/End/7)</td>
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<td>(For/End/7)</td>
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<td>(For/End/7)</td>
</tr>
<tr>
<td>ALLOTMENT (Remember To Record This Data In Other Sections)</td>
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<td>(For/End/7)</td>
</tr>
<tr>
<td>ALLOTMENT (Remember To Record This Data In Other Sections)</td>
<td></td>
<td></td>
<td>(For/End/7)</td>
</tr>
<tr>
<td>ALLOTMENT (Remember To Record This Data In Other Sections)</td>
<td></td>
<td></td>
<td>(For/End/7)</td>
</tr>
<tr>
<td>Meal Deduction</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service Members Group Life Insurance (SGLI)</td>
<td></td>
<td></td>
<td>(Coverage Level: Full/Partial)</td>
</tr>
<tr>
<td>Traumatic SGLI (TSGLI)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Family SGLI (FSGLI) Spouse and Child Coverage</td>
<td></td>
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<td>Federal Vision Insurance Plan (FVIP) Family Coverage</td>
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<td>Advance Payments</td>
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## Total Take Home Pay

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### Savings & Investments

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<td>Taxes/Fees/Home Owners Association (HOA)</td>
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### Utilities

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<td>Water/Trash/Sewage</td>
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### Food

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<td>Vending Machines/Coffee</td>
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<td>Tolls/Parking</td>
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<td>Other (Plates/Registration/Tax)</td>
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### Insurance

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### Health

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## EXPENSES

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## INDEBTEDNESS

### Debt Obligations

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<th>Balance</th>
<th>APR (%)</th>
<th>Minimum Paid on 1st</th>
<th>Minimum Paid on 15th</th>
<th>Minimum Monthly Payment</th>
<th>Projected Monthly Payment</th>
<th>Estimated Monthly Payment</th>
<th>Credit Limit</th>
<th>Credit Utilization</th>
<th>Remarks (How Paid, Months Behind, etc.)</th>
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### Total Indebtedness:
- **N/A**

### Cash Flow Summary

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<td>Total Savings &amp; Investments</td>
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<td>Total Indebtedness</td>
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<td><strong>SURPLUS / DEFICIT</strong></td>
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<td>Extra Payments (Amount Transferred Over from My Debt Destroyer)</td>
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<td><strong>SURPLUS / DEFICIT</strong> (After Extra Payments)</td>
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</table>

### Debt to Income Ratio (70-20-10) Rule:

- **70%** - Total monthly living expenses (Includes Mortgage or Rent)
- **20%** - Total debt obligations. If you have no debt, then apply more toward savings goals.
- **10%** - Applied toward savings goals

* Please note that "Estimated Monthly Payments" are only intended to be a guide, it is always best to check your monthly statement, payment information section for exact amounts.
## Financial Summary

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<td>Roth TSP %</td>
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<tr>
<td>Traditional TSP %</td>
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<tr>
<td>Total TSP %</td>
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<td>Debt to Income (70/20/10)</td>
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## NET WORTH

### Action Plan

**Increase Income & Savings**

**Decrease Living Expenses & Indebtedness**

**Referrals & Recommended Trainings**

## Savings Goals

<table>
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<tr>
<th>Goal</th>
<th>Cost</th>
<th>Timeline (in Months)</th>
<th>Monthly Savings (Needed)</th>
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Case Study 1
Role Play: Morgan Wayne  
Case Study 1-TSP Army LES

**DEFENSE FINANCE AND ACCOUNTING SERVICE MILITARY LEAVE AND EARNINGS STATEMENT**

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<th>NAME (Last, First, M.I)</th>
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<th>ETS</th>
<th>BRANCH</th>
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<th>PERIOD COVERED</th>
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**TOTAL** | 4018.41 | **TOTAL** | 2056.84 | **TOTAL** | 3011.6 |

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<th>Used</th>
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<th>ETS Bal</th>
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<th>LV Paid</th>
<th>Use/Loss</th>
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<th>WAGE PERIOD</th>
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<th>Bonus Pay Rate</th>
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**REMARKS:**

Financial Readiness Campaign, you're encouraged to participate in Military Saves Month.

- Your 2019 Federal and State income taxes are due for free tax assistance and electronic filing. Take your W-2 form to your installation tax assistance center or supporting legal assistance office. Don't delay file today get your tax refund in less than half the time by using e-file direct deposit to your bank account right to www.irs.gov/efile and www.fis.gov fertilizer www.militarysaves.org for free federal and state tax preparation and filing. Log on or call 1-800-342-9647 today.

Just get married? Have a baby? Share the good news with your personnel office, they'll make sure you get paid right.

DFAS Form 702, Jan 92

Note: Areas bracketed out with XXXX for training purposes.

*This Payslip is a hypothetical situation for training purposes. It is provided solely for the Command Financial Specialist Course.*
### Defense Finance and Accounting Service
#### Military Leave and Earnings Statement

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<th>Type</th>
<th>Amount</th>
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<td><strong>ENTITLEMENTS</strong></td>
<td><strong>Deductions</strong></td>
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**LEAVE**
- BP Bal: 12.0
- BA Bal: 4.75
- CR Bal: 9.83
- CR Taken: 4.0
- CR Used: 9.83
- CR Lost: 0.0
- LEV Lost: 0.0
- LEV Paid: 0.0
- Leave: 4.0
- Leave: 0.0

**FICA TAXES**
- Wage Period: 2042.70
- Soc Secure: 1626.51
- Soc Tax: 126.65
- State Tax: 39.02
- Medicare: 1626.51
- Med Tax: 126.65
- State Med: 39.02

**PAY**
- BAQ Type: BAQ Depn
- VHA Zip: 22611
- HRA Type: HRA Type
- HRA Amnt: 0.00
- HRA Share: 0.00
- HRA Start: 0.00
- HRA End: 0.00
- HRA Inc Pay: 0.00
- HRA Inc Pay: 0.00
- HRA Bonus Pay: 0.00
- HRA Bonus Pay: 0.00
- HRA AGHY-MATCH: 0.00

**TRADITIONAL PLAN (TSP)**
- Base Pay Rate: 0.00
- Spec Pay Rate: 0.00
- Spec Pay Current: 0.00
- Inc Pay Rate: 0.00
- Inc Pay Current: 0.00
- Bonus Pay Rate: 0.00
- Bonus Pay Current: 0.00

**ROTH PLAN**
- Base Pay Rate: 0.00
- Spec Pay Rate: 0.00
- Spec Pay Current: 0.00
- Inc Pay Rate: 0.00
- Inc Pay Current: 0.00
- Bonus Pay Rate: 0.00
- Bonus Pay Current: 0.00

**CONTRIBUTIONS**
- TSP YTD Deductions: 61.28
- YTD TSP Deferred: 61.28
- YTD TSP Exempt: 0.00
- YTD ROTH: 0.00
- YTD TSP AGHY-MATCH: 0.00

**MISSIONS**
- **RETRPLAN**
- Blended

**TOTALS**
- 61.28
- 61.28
- 0.00
- 0.00
- 0.00

**REMARKS**
- YTD ENTITLE: 4014.41
- YTD DEDUCT: 2095.84

---

*This Paystub is a hypothetical situation for training purposes. It is provided solely for the Command Financial Specialist Course.*
**Role Play: Morgan Wayne**  
**Case Study 1-TSP U.S. Coast Guard Payslip**

<table>
<thead>
<tr>
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<th>Active and Reserve</th>
<th>Statement of Semi-Monthly Income</th>
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<td>Pay Group: USCG Active Duty</td>
<td>Member DOB: XXXX-XX-XX</td>
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<td>BAH WITH DEP</td>
<td>765.95</td>
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<td>146.26</td>
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**TOTAL:** 2007.21  
**TOTAL:** 160.79  
**TOTAL:** 339.58

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<td>TRAD TSP</td>
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**TOTAL:** 45.64  
**TOTAL:** 102.8

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<tr>
<td>OASDI WAGES</td>
<td>135.15</td>
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<td>MEDICARE WAGES</td>
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<td>FED TAXABLE GROSS</td>
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<td>STATE TAXABLE GROSS</td>
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<tr>
<td>NET PAY</td>
<td>1031.94</td>
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**LEAVE SUMMARY**
- **Begin Regular Leave Balance**: 10.0  
- **Regular Leave Earned**: 2.8  
- **Regular Leave Used**: 0.0  
- **Regular Leave Lost**: 0.0  
- **Regular Leave Sold**: 0.0  
- **End Regular Leave Balance**: 9.3  
- **End Reserve Leave Balance**: 0.0  
- **End Special Leave Carryover Balance**: 0.0  
- **Regular Leave Sold (Career-to-date)**: 0.0

**NET PAY DISTRIBUTION**

**REMARKS:**
- You can reduce your taxable income, as well as set aside funds for retirement, by participating in the Thrift Savings Plan (TSP). For info on TSP, see http://www.uscg.mil/pers/tsp/adp.  
- CUMULATIVE SEA DUTY AS OF XX-XX-XX 00 YEARS 0 MONTHS 0 DAYS  
- TRAD TSP ELECTION 2% BASIC PAY 0% SPECIAL PAY 0% BONUS 0% INCENTIVE PAY  
- YTD AUTOMATIC 1% AGENCY CONTRIBUTION IS $20.62  
- YTD AGENCY MATCHING CONTRIBUTION IS $0.00  
- CURRENT AUTOMATIC 1% AGENCY CONTRIBUTION IS $10.22  
- CURRENT AGENCY MATCHING CONTRIBUTION IS $0.05

**This Payslip is a hypothetical situation for training purposes. It is provided solely for the Command Financial Specialist Course.*
**Role Play: Morgan Wayne**  
**Case Study 1-TSP USMC LES**

### ID INFO
- **Name**: Wayne Morgan
- **SSN**: 123-45-6789
- **RANK**: LCPL
- **SERV CODE**: USMC
- **PLT CODE**: 1234
- **DATE**: 01/01/2020
- **PAY**: 11000
- **DIRECT DEPOSIT**: TRUE
- **ADDR**: Navy Federal Credit Union, PO Box 3400, Merrifield, VA 22119-3000

### LEAVE INFORMATION
- **LV & F**: 20
- **EARNED**: 3000
- **USED**: 0
- **EXCESS**: 0
- **MAX ACCRUAL**: 0
- **SOLD AS OF**: 0
- **CARRY FWD**: 0

### TAX INFORMATION
- **STATE TAX**: FL
- **STATE CODE**: FL
- **EXEMPTIONS**: 6,000
- **SSNC WAGES THIS PRD**: $20,427.00
- **SSNC WAGES YTD**: $40,854.00
- **MEDICARE WAGES THIS PRD**: $23,132.00
- **MEDICARE WAGES YTD**: $46,264.00

### ADDITIONAL PAY INFORMATION
- **DATE**: 01/01/2020
- **PAY Status**: TOTAL
- **TOTAL REGULAR PAYMENT**: $1625.98
- **TOTAL BENEFITS PAID**: $3251.56

### RESERVE DRILL INFORMATION
- **REG**: 02
- **ADD**: 08
- **TOTAL**: $612.46

---

**REMARKS:**
- **BROUGHT FWD**: 0.00
- **ENTITLEMENTS**: 0.00
- **FIIT (FED TAX)**: 180.31
- **SOCIAL SECURITY**: 126.65
- **MEDICARE**: 26.62
- **SIV (STATE TAX)**: 0.00
- **TSP TRADITIONAL**: 61.26
- **SGI $400,000**: 24.00
- **SPOUSE SGI**: 4.50
- **TSGLI**: 1.00
- **TRicare DENTAL**: 11.00
- **USNMC RET HOME**: 0.50
- **CHARITY ALLOTMENT**: 20.00
- **Savings Allotment**: 200.00

**TOTAL**: 762.46

### PAYMENTS
- **DATE**: 01/01/2020
- **TSP AUTO**: 20.43
- **TSP MATCHING**: 0.00
- **CARRIED FORWARD**: 0.00

---

MRS is entitled to CONUS COLA. COMPUTED AMT IS: 0.00  
*TAX TIME IS COMING. VERIFY YOUR TAX INFO AND RECEIVE STATEMENTS VIA MYPAY.*

*This Leave and Earnings Statement is a hypothetical situation for training purposes. It is provided solely for the Command Financial Specialist Course.*
Case Study 2
# Role Play: Morgan Wayne Case Study 2 Deployment Army LES

## Defense Finance and Accounting Service Military Leave and Earnings Statement

<table>
<thead>
<tr>
<th>ID</th>
<th>NAME (Last, First, MI)</th>
<th>SOC SEC NO.</th>
<th>GRADE</th>
<th>PAY DATE</th>
<th>YRS SVC</th>
<th>ETS</th>
<th>BRANCH</th>
<th>ADSN/DESN</th>
<th>PERIOD COVERED</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>WAYNE, MORGAN</td>
<td></td>
<td>E4</td>
<td>XXXXX</td>
<td>XXXXX</td>
<td>3</td>
<td>ARMY</td>
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<td>1-30 January 2020</td>
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<table>
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<tr>
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<th>Type</th>
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<tr>
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<td>2907.90</td>
<td>FEDERAL TAXES</td>
<td>115.70</td>
<td>PPV</td>
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<td>BAS</td>
<td>372.71</td>
<td>FICA-SOC SECURITY</td>
<td>153.44</td>
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<td></td>
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<td>AFRIH</td>
<td>4.50</td>
<td></td>
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<td>ROTH TSP</td>
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<td>MID MONTH PAY</td>
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| TOTAL                 | 4478.71  |                   | 1505.48  |            | 1000.6  |

### LEAVE

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<th>ETS Blt</th>
<th>Lr Lost</th>
<th>Lr Paid</th>
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<th>JFTR</th>
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### TRADITIONAL PLAN (TSP)

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<th>Spec Pay Current</th>
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### ROTH PLAN

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### REMARKS:

- **YTD ENTITLE**: 4478.71
- **YTD DEDUCT**: 1505.48

**'Remarks: Financial Readiness Campaign, you're encouraged to participate in Military Saves Month. www.militarysaves.org, small think big.'**

**'Just get married? Have a baby? Share the good news with your personnel office, they'll make sure you get paid right.'**

**'This Payslip is a hypothetical situation for training purposes. It is provided solely for the Command Financial Specialist Course.'**

---

**DFAS Form 702, Jan 92**

---

**Note: Areas bracketed out with XXXXX for training purposes**
### DEFENSE FINANCE AND ACCOUNTING SERVICE MILITARY LEAVE AND EARNINGS STATEMENT

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**TOTAL** | 4474.71 | 1505.46 | 1530.60 |

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<th>YTD PAY</th>
<th>FED TAXES</th>
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<th>Ex</th>
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**TOTALS** | 1536.36 | 0.00 | 125.36 | 25.07 | 100.26 |

**REMARKS:**

- IF TSP ELECTION AMT EXCEEDS NET AMT DUE, TSP WILL NOT BE DEPOSITED
- DUE, TSP WILL NOT BE DEPOSITED
- DUE, TSP WILL NOT BE DEPOSITED
- DUE, TSP WILL NOT BE DEPOSITED
- DUE, TSP WILL NOT BE DEPOSITED
- DUE, TSP WILL NOT BE DEPOSITED

**FINANCIAL READINESS CAMPAIGN, YOU'RE ENCOURAGED TO PARTICIPATE IN MILITARY SAVES MONTH WWW.MILITARYSAVES.ORG START SMALL THINK BIG.

- SEAD DUTY TIME 0000,0000
- MEMBERS SSGL COVERAGE AMOUNT IS $400,000
- SSGL COVERAGE AMOUNT IS $400,000
- BANK XYZ CREDIT UNION
- ALLOT - XYZ CREDIT UNION = 300.00
- ALLOT - COMB FED CAMPAIGN = 10.00

- PREPARE AND FILE A CD OR CALL 1-800-345-6789 TOLL FREE TODAY!
- JUST GET MARRIED? HAVE A BABY? SHARE THE GOOD NEWS WITH YOUR PERSONNEL OFFICE, THEY'LL MAKE SURE YOU GET PAID RIGHT MAJOR! (Majors, Majors, Majors)

DFAS Form 702, Jan 92

Note: Areas blocked out with XXXX for training purposes.

*This Payslip is a hypothetical situation for training purposes. It is provided solely for the Command Financial Specialist Course.*
# Role Play: Morgan Wayne

## Case Study 2 - Deployment USCG Payslip

**United States Coast Guard / NOAA**  
**Active and Reserve**  
**Statement of Semi-Monthly Income**

<table>
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<th>Description</th>
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</tbody>
</table>

**TAX DATA:**  
**Federal:**  
**State:**

**EMPLOYEES:**  
**Morgan Wayne**  
**Employee ID:** 548000  
**Department:** USCG HQ

**PAY DATA:**  
**Pay Group:** USCG Active Duty  
**Pay Begin Date:** 02/01/16  
**Pay End Date:** 02/28/16  
**Employee ID:** 548000  
**Rank:** PC3  
**Pay Grade:** E4  
**Marital Status:** Married  
**Allowances:** 1  
**Addl. Percent:** 0  
**Addl. Amount:** 0

**Total:** 1439.86  
**Total:** 153.75  
**Total:** 307.5

**Deductions:**  
**AFPH:** 0.00  
**FGLI:** 0.00  
**FGGLI:** 0.00  
**ROTH TSP:** 0.00

**Total:** 77.68  
**Total:** 102.8

**Leave Summary:**  
**Begin Regular Leave Balance:** 10.0  
**Regular Leave Earned:** 2.3  
**Regular Leave Used:** 0.0  
**End Regular Leave:** 9.3  
**End Reserve Leave:** 0.0  
**End Special Leave:** 0.0  
**End Career/sick Leave:** 0.0

**Net Pay Distribution:**

**Remarks:**  
**You can reduce your taxable income, as well as set aside funds for retirement, by participating in the Thrift Savings Plan (TSP). For info on TSP, see http://www.uscg.mil/tpd/tpd.asp.**

**Cumulative bequest as of XX/XX/00 15 years, 0 months, 0 days:**

- Roth TSP election: 5% basic pay 5% special pay 0% bonus 0% incentive pay
- YTD automatic 1% agency contribution is $125.49
- YTD agency matching contribution is $50.14
- Current automatic 1% agency contribution is $12.54
- Current agency matching contribution is $50.14

---

**This Payslip is a hypothetical situation for training purposes. It is provided solely for the Command Financial Specialist Course.**
### Role Play: Morgan Wayne

**Case Study 2-Deployment USMC LES**

<table>
<thead>
<tr>
<th>ID INFO</th>
<th>1 NAME LAST, FIRST, MI</th>
<th>2 SSN</th>
<th>3 RANK</th>
<th>4 SERV</th>
<th>5 PLT CODE</th>
<th>6 DATE PREP</th>
<th>7 PRO COVERED</th>
<th>8 CFB</th>
<th>9 YRS</th>
<th>10 ETAS</th>
<th>11 ECC</th>
<th>12 MCG</th>
<th>13 ERF</th>
<th>14 QBF</th>
<th>15 ERF</th>
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<tr>
<td>Wayne, Morgan</td>
<td>13243567</td>
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<td>USMC</td>
<td>02/2001</td>
<td>1-51 JAN</td>
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#### B. FORECAST AMOUNTS

<table>
<thead>
<tr>
<th>13 DATE</th>
<th>14 AMOUNT</th>
<th>15 DATE</th>
<th>16 AMOUNT</th>
<th>17 BALANCE</th>
<th>18 POE</th>
<th>19 CDFP</th>
<th>20 AVAY PAY PAYAMOUNT</th>
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<td>20200215</td>
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#### C. LEAVE INFORMATION

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<th>22 EXCESS</th>
<th>23 BAL</th>
<th>24 MAX</th>
<th>25 LOST</th>
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#### D. TAX INFORMATION

| 30 STATE TAX | 31 FICA (SOCIAL SECURITY) | 32 MEDICAID | 33 TAX | 34 WAGE | 35 WAGE | 36 WAGE | 37 WAGE | 38 WAGE | 39 WAGE | 40 WAGE | 41 WAGE | 42 WAGE | 43 WAGE | 44 WAGE | 45 WAGE |
|---------------|---------------------------|-------------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| FL | 4.01 | 3.07 | 2.07 | 2.07 | 2.07 | 2.07 | 2.07 | 2.07 | 2.07 | 2.07 | 2.07 | 2.07 | 2.07 | 2.07 | 2.07 |

#### M. RESERVE DRILL INFORMATION

| 50 REG | 51 REG | 52 REG | 53 REG | 54 REG | 55 REG | 56 REG | 57 REG | 58 REG | 59 REG | 60 REG | 61 REG | 62 REG | 63 REG | 64 REG | 65 REG |
|--------|-------|--------|-------|--------|-------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 00000001 | 00000001 | 00000001 | 00000001 | 00000001 | 00000001 | 00000001 | 00000001 | 00000001 | 00000001 | 00000001 | 00000001 | 00000001 | 00000001 | 00000001 | 00000001 |

#### REMARKS:

- **ENTITLEMENTS**
  - BASIC PAY: 2597.90
  - BAH WDEP: 1999.90
  - BAS (MONTHLY): 3527.71
  - TOTAL DEDUCTIONS: 4582.35
  - FITW (TED TAX): 115.70
  - SOCIAL SECURITY: 115.43
  - MEDICARE: 36.30
  - PPF HOUSING: 1566.00
  - TSP ROTH: 1252.50
  - OCS Q400.00: 24.60
  - SPOUSE SGLI: 4.50
  - TSGI: 1.00
  - TRICARE DENTAL: 11.40
  - USNMC RET HME: 0.00
  - CHARITY ALLOTMENT: 20.00
  - SAVINGS ALLOTMENT: 300.00
  - TOTAL: 2393.43

#### PAYMENTS

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<td>20200115</td>
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**Benefits Paid by the Marine Corps:**

- **TSP AUTO:** 25.67 / 25.67
- **TSP MATCHING:** 100.28 / 100.28

**MBR IS ENTITLED TO CONUS COLA. COMPUTED AMT IS:. . . .**

**TAX TIME IS COMING, VERIFY YOUR TAX INFO AND RECEIVE STATEMENTS VIA MYPAY.**

*This Leave and Earnings Statement is a hypothetical situation for training purposes. It is provided solely for the Command Financial Specialist Course.*
### Defense Finance and Accounting Service
#### Military Leave and Earnings Statement

<table>
<thead>
<tr>
<th>ID</th>
<th>NAME (Last, First, Mi)</th>
<th>SOC Sec No.</th>
<th>GRADE</th>
<th>PAY DATE</th>
<th>YRS SVC</th>
<th>ETS</th>
<th>PERIOD COVERED</th>
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<tbody>
<tr>
<td></td>
<td>WAYNE, MORGAN</td>
<td></td>
<td></td>
<td></td>
<td>4</td>
<td></td>
<td>1-30 January 2020</td>
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#### Entitlements

<table>
<thead>
<tr>
<th>Type</th>
<th>Amount</th>
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<tr>
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<tr>
<td>BAS</td>
<td>379.71</td>
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<tr>
<td>BAH</td>
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#### Deductions

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<td>FICA-MEDICARE</td>
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<tr>
<td>GSGLI</td>
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<td>AFPH</td>
<td>0.50</td>
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<tr>
<td>MID MONTH PAY</td>
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#### Leave

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#### FICA Taxes

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#### PAY

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<tr>
<td>2691.40</td>
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#### Contribution Totals

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<th>Amount</th>
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<tr>
<td>202.40</td>
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#### Remarks:

- Financial Readiness Campaign, you're encouraged to participate inMilitary Saves Month.
- www.militarysaves.org, start small, think big.
- Members' coverage amount is $400,000.
- BAH based on dependents, zip 25611.
- Bank XYZ Credit Union.
- Allot - XYZ Credit Union = 300.00.
- Allot - comb pay campaign = 20.00.

*This Pay Slip is a hypothetical situation for training purposes. It is provided solely for the Command Financial Specialist Course.*
# Role Play: Morgan Wayne
## Case Study 3 - Welcoming Your First Child Navy LES

### Defense Finance and Accounting Service
### Military Leave and Earnings Statement

<table>
<thead>
<tr>
<th>ID</th>
<th>NAME (Last, First, MI)</th>
<th>SOC SEC NO</th>
<th>GRADE</th>
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<th>YRS SVC</th>
<th>ETS</th>
<th>BRANCH</th>
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<table>
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<th>Amount</th>
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<tbody>
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<td>OPM</td>
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<td>OPM</td>
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<td>MID MONTH PAY</td>
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<td>FICA</td>
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<td>OPM</td>
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**TOTAL**

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**PAY**

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<td></td>
<td></td>
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<td></td>
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</table>

**REMARKS**

- IF TSP ELECTION AMT EXCEEDS NET AMT DUE, TSP WILL NOT BE DEDUCTED.
- YOUR 2019 FEDERAL AND STATE INCOME TAXES ARE DUE FOR FREE TAX ASSISTANCE AND ELECTRONIC FILING, TAKE YOUR W-2 FORM TO YOUR INSTALLATION TAX ASSISTANCE CENTER OR SUPPORTING LEGAL ASSISTANCE OFFICE.
- DON'T DELAY FILE TODAY GET YOUR TAX REFUND IN LESS THAN HALF THE TIME BY USING E-FILE WITH DIRECT DEPOSIT TO YOUR BANK ACCOUNT.
- GO TO WWW.IRS.GOVERNMENT AND WWW.FMS.TREAS.GOVERNMENT.
- WWW.MILITARYRESOURCENGO.COM HAS FREE FEDERAL AND STATE TAX PREPARATION AND FILING, LOG ON OR CALL 1-800-302-4673 TODAY!
- JUST GET MARRIED? HAVE A BABY? SHARE THE GOOD NEWS WITH YOUR PERSONNEL OFFICE, THEY'LL MAKE SURE YOU GET PAID RIGHT!

*This Payslip is a hypothetical situation for training purposes. It is provided solely for the Command Financial Specialist Course.*
# Role Play: Morgan Wayne

**Case Study 3-Welcoming Your First Child USCG Payslip**

<table>
<thead>
<tr>
<th>U.S. Department of Homeland Security</th>
<th>United States Coast Guard / NOAA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active and Reserve</td>
<td>Statement of Semi-Monthly Income</td>
</tr>
</tbody>
</table>

**COMMISSIONING OFFICER (CO)**
- Pay Group: USCG Active Duty
- Pay Begin Date: 02/01/16
- Pay End Date: 05/01/16
- Member DOB: XXXX-XX-XX
- Spouse DOB: XXXX-XX-XX

**Morgan Wayne**
- 120 Main Street
- Any Town, ST 20111
- Employee ID: 548030
- Rank: PC2
- Pay Grade: E5
- Department: USCG HQ
- Retirement Plan: Deferred

**TAX DATA:**
- Federal: 0
- State: 0
- Marital Status: Married
- Allowances: 1
- Add. Percent: 0
- Add. Amount: 0

**EARNINGS**

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<th>Current</th>
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<tr>
<td>BASIC PAY</td>
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**DEDUCTIONS**

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<td><strong>TOTAL:</strong></td>
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**ALLOCATIONS**

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<td><strong>TOTAL:</strong></td>
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**LEAVE SUMMARY**

<table>
<thead>
<tr>
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<tr>
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<td>- Regular Leave Used</td>
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<td>- Regular Leave Lost</td>
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<td>- Regular Leave Sold</td>
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<tr>
<td>End Regular Leave Balance</td>
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<td>End Reserve Leave Balance</td>
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<td>Regular Leave Sold (Carrer-to-date)</td>
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| **TOTAL:**                  | 116.2 |

**NET PAY DISTRIBUTION**

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<tr>
<td>Checking</td>
<td>****112345</td>
<td>1,922.39</td>
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**REMARDS:**

- **Pay records are computer matched with other federal government and benefit records for debt purposes.**
- **This Payslip is a hypothetical situation for training purposes. It is provided solely for the Command Financial Specialist Course.**
# Role Play: Morgan Wayne

## Case Study 3-Welcoming Your First Child USMC LES

### A. ID INFO

<table>
<thead>
<tr>
<th>1 NAME (LAST, FIRST, MI)</th>
<th>WAYNE, MORGAN</th>
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<tbody>
<tr>
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<td>6 DATE</td>
<td>20200122</td>
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### C. AVIATION PAY INFORMATION

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<td>32 MAX BAL</td>
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### D. STATE TAX INFORMATION

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<th>WAGES THIS PRD</th>
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### E. ADDITIONAL BAH INFORMATION

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### F. CARRY PAY STATUS

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### G. RESERVE DRILL INFORMATION

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### H. PAY STATUS

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<td>69 TSP</td>
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### K. Brought Forward

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### L. Entitlements

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### M. Deductions

| FITW (FED TAX) | 154.14 |
| SOCIAL SECURITY | 175.27 |
| MEDICARE | 41.90 |
| FITW (STATE TAX) | 0.00 |
| CPP HOUSING | 1641.00 |
| TSP ROTH | 262.40 |
| SGLI ($400.00) | 24.00 |
| SPOUSE SGLI | 4.50 |
| TSGI | 1.00 |
| TRICARE DENTAL | 11.60 |
| UCRC RET HOME | 0.00 |
| CHARITY ALLOWMENT | 0.00 |
| SAVINGS ALLOWMENT | 0.00 |
| TOTAL | 2377.84 |

### N. Payments

| REGULAR PAYMENT | 1182.28 |
| REGULAR PAYMENT | 1182.28 |
| TOTAL | 2364.77 |

### O. Benefits Paid by the Marine Corps for You

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<tr>
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<th>YTD</th>
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<tr>
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### M.R. is Entitled to Conus COLA. Computed AMT is: 0.00

*This Leave and Earnings Statement is a hypothetical situation for training purposes. It is provided solely for the Command Financial Specialist Course.*
### Defense Finance and Accounting Service Military Leave and Earnings Statement

<table>
<thead>
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<th>NAME (Last, First, MI)</th>
<th>SOC SEC NO.</th>
<th>GRADE</th>
<th>PAY DATE</th>
<th>YRS SVC</th>
<th>ETS</th>
<th>BRANCH</th>
<th>ADSN/SSN</th>
<th>PERIOD COVERED</th>
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<td></td>
<td></td>
<td>XXXXX</td>
<td>XXXXX</td>
<td>10</td>
<td>Army</td>
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#### Entitlements

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<th>Type</th>
<th>Amount</th>
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<tr>
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<td>FICA-SOC SECURITY</td>
<td>253.73</td>
</tr>
<tr>
<td>BAH</td>
<td>3114.90</td>
<td>FICA-MEDICARE</td>
<td>54.66</td>
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<tr>
<td>SSGL</td>
<td>25.00</td>
<td>ALLOTMENT SAVINGS</td>
<td>400.00</td>
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<tr>
<td>PPOGL</td>
<td>4.50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AIRH</td>
<td>0.50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROTH TSP</td>
<td>565.47</td>
<td></td>
<td></td>
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<tr>
<td>MID-MONTH PAY</td>
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#### Deductions

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<th>Amount</th>
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<tr>
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#### Allotments

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#### Summary

| Amount | |
|--------|-------------------------|--------|
| Total | 7256.51 | 2056.35 | 3568.15 |

#### Leave

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#### FICA Tax

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#### Pay

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<th>HRA</th>
<th>Amt</th>
<th>Share</th>
<th>Star</th>
<th>JFTR</th>
<th>Dpers</th>
<th>2D JFTR</th>
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<th>Charity YTD</th>
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#### Traditional Plan (TSP)

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<th>Spec Pay Current</th>
<th>Inc Pay Rate</th>
<th>Inc Pay Current</th>
<th>Bonus Pay Rate</th>
<th>Bonus Pay Current</th>
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#### Roth Plan

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#### CM AGCY CONTR

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<th>YTD TSP Exempt</th>
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<tr>
<td>565.47</td>
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<td>0.00</td>
<td>37.70</td>
<td>150.79</td>
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</table>

#### Remarks

- If TSP election amount exceeds net amount, TSP will not be deducted.
- You are encouraged to participate in military saves month.
- Members' GGLU coverage amount is $400,000.
- Bank of Indentives, Zip 92136
- Bank XYZ Credit Union
- Allot - XYZ Credit Union = 400.00
- Allot - COMB PIN campaign = 20.00

#### Financial Readiness Campaign

- Don't delay filing for a tax refund.

**Note:** Areas blocked out with XXXXX for training purposes.

*This Payslip is a hypothetical situation for training purposes. It is provided solely for the Command Financial Specialist Course.*
### Role Play: Morgan Wayne

**Case Study 4 - Continuation Pay Navy LES**

![Image of a document titled "DEFENSE FINANCE AND ACCOUNTING SERVICE MILITARY LEAVE AND EARNINGS STATEMENT" with data and formulas related to military pay and deductions.]

**DFAS Form 702, Jan 92**

No. Areas blanked out with XXXX for training purposes.

---

*This Payslip is a hypothetical situation for training purposes. It is provided solely for the Command Financial Specialist Course.*
**Role Play: Morgan Wayne**  
**Case Study 4- Continuation Pay USCG Payslip**

![Image of the payslip]

### United States Coast Guard / NOAA
**Statement of Semi-Monthly Income**

<table>
<thead>
<tr>
<th>Description</th>
<th>Current</th>
<th>Description</th>
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<tr>
<td>BAS-ENL</td>
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<td>BASIC PAY</td>
<td>1684.90</td>
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**TOTAL:** 2071.26

**Deductions:**

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**TOTAL:** 2817.28

**Net Pay Distribution**

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**LEAVE SUMMARY**

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<td>- Regular Leave Used</td>
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<tr>
<td>- Regular Leave Lost</td>
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</table>

| End Regular Leave Balance  | 9.3  |
| End Reserve Leave Balance  | 0.0  |
| End Special Leave Carryover Balance | 0.0 |
| Regular Leave Sold (Career-to-date) | 0.0 |

**TOTAL:** 1234.56

**REMARKS:**

- **You can reduce your taxable income, as well as set aside funds for retirement, by participating in the Thrift Savings Plan (TSP).** For info on TSP, see [HTTP:WWW.USCG.MIL/TSPADP](HTTP:WWW.USCG.MIL/TSPADP).

- **Cumulative Service as of XX/XX/XX: 0 years 0 months 0 days.**
- **ROTH TSP Election: 10% basic pay 0% special pay 0% bonus 0% incentive pay.**
- **YTD automatic 1% agency contribution is $27.70.**
- **YTD agency matching contribution is $150.79.**
- **Current automatic 1% agency contribution is $58.64.**
- **Current agency matching contribution is $75.39.**

*This Payslip is a hypothetical situation for training purposes. It is provided solely for the Command Financial Specialist Course.*
### Role Play: Morgan Wayne

#### Case Study 4- Continuation Pay USMC LES

<table>
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<th>2 SSN</th>
<th>3 RANK</th>
<th>4 SERV</th>
<th>5 PLT_CODE</th>
<th>6 DATEOfBirth</th>
<th>7 PRO coverage</th>
<th>8 FED</th>
<th>9 YRS</th>
<th>10 EAS</th>
<th>11 ECC</th>
<th>12 MCC</th>
<th>13 A/P</th>
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#### LEAVE INFORMATION

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#### REIMBURSEMENTS

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#### FEDERAL TAX DEDUCTIONS

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<td>MEDICARE WAGES YTD</td>
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#### TOTAL DEDUCTIONS

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#### PAYMENTS

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#### BENEFITS PAID BY THE MARINE CORPS FOR YOU

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MRR IS ENTITLED TO CONUS COLA. COMPUTED AMT IS: 00

*TAX TIME IS COMING. VERIFY YOUR TAX INFO AND RECEIVE STATEMENTS VIA MYPAY.*

*This Leave and Earnings Statement is a hypothetical situation for training purposes. It is provided solely for the Command Financial Specialist Course.*
SCRA Housing Price Inflation Adjustment

Appendix G
The SCRA Housing Price is adjusted yearly and is published in the Federal Register by the Department of Defense. The annual adjustment is generally announced in February. The Federal Register can be found here: https://www.federalregister.gov/agencies/defense-department

The housing price inflation adjustment effective as of January 1, 2020 was announced on January 24, 2020 and reads: “The Servicemembers Civil Relief Act, as codified at 50 U.S.C. App. 3951, prohibits a landlord from evicting a Service member (or the Service member’s family) from a residence during a period of military service, except by court order. The law as originally passed by Congress applied to dwellings with monthly rents of $2,400 or less. The law requires the DoD to adjust this amount annually to reflect inflation and to publish the new amount in the Federal Register. Applying the inflation adjustment for 2019, the maximum monthly rental amount for 50 U.S.C. App. 3951(a)(1)(A)(ii) as of January 1, 2020, will be $3,991.90.” The announcement made on January 24, 2020 can be found here: https://www.federalregister.gov/documents/2020/01/24/2020-01202/publication-of-housing-price-inflation-adjustment
# Governing Directives List

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| **Air Force Guidance** | **Available at: https://www.e-publishing.af.mil/** | |
| AFI 36-3009 | Airman and Family Readiness Centers | 5/10/19 |
| AFI 36-2906 | Personal Financial Responsibility | 7/30/18 |
Command Leadership and Indoctrination Briefs and Instructor Guides

Appendix I
I. INTRODUCTION

This presentation is designed to tell new command members clearly and concisely about the Command PFM program. Speaking at indoctrination allows you to introduce yourself and generate excitement about personal financial management issues. It may also meet some or all of the Touchpoint requirements for newly reporting personnel.

You will discuss your branch of service’s PFM program, the role of the CFS, and how the CFS can help command members. You also can offer information on several PFM topics as a “teaser” to generate interest in PFM. The program concludes with an invitation to participate in the PFM program. As written below, this brief should take 5 to 10 minutes. Feel free to add information from selected portions of the PFM Standardized Curriculum if you have more time available. You can also personalize the brief for your command with photos.

INSTRUCTOR NOTE: There are sections of the PowerPoint that you must update for your branch of service. Updates are noted using an INSTRUCTOR NOTE: such as this one.
Introduce Self

Introduce yourself. Explain that you are the Command Financial Specialist at the command, and that you are going to tell participants about the command’s PFM program.

Topics

Review the topics you are going to cover:

- Your Branch of Service’s PFM Program
- Implications of Sound Financial Management (Negative & Positive)
- The Role of the CFS
- How the CFS Can Help You
- Resources
- Invitation
- Contact Information

PFM Program

Briefly explain that your branch of service has a policy on financial management and indebtedness.

Your branch of service has mandated that every command have a Personal Financial Management Program, which is run by the Command Financial Specialist. The program was created because needs assessments have indicated that PFM is a top concern of military personnel. It was recognized that financial issues have a direct impact on readiness and retention. Some Service members come into the service lacking basic consumer skills and training in how to manage finances. This can lead to financial difficulty. The PFM program is designed to help every Service member achieve financial success. The program emphasizes a proactive, career life-cycle approach to accountability by providing basic principles and practices of sound money management, counseling tools and referral services using a comprehensive education and training program. What does that mean? It means the command wants to help you do well with your money management.

INSTRUCTOR NOTE: You will need to update the slide to include your branch of service PFM Instruction.
Implications of Financial Problems

Unfortunately, many Service members, both young and old, experience some level of financial difficulty. **ASK** what participants believe are the implications of financial problems. Answers should include:

- Negative evaluations
- Loss of promotions
- Loss of security clearance
- Loss of overseas assignment
- Reduction in rank
- NJP
- Administrative discharge

And those are just the military implications. Civilian implications can include everything from not being able to get credit to repossessions, bankruptcies, or even jail!

Implications of Sound Financial Management

If we’re going to talk about the bad things that can happen from mismanagement, let’s also talk about all the good things that can happen from good financial practices. **ASK** what participants believe are the implications of sound financial management. Answers should include:

- Less stress
- More money in savings
- Better quality of life
- Get more of the things you want
- Have financial security
- Building wealth ...

**INSTRUCTOR NOTE:** Time permitting, you can turn slides 4 and 5 into an activity by having the class call out the implications of financial problems and implications of sound financial management.
The Role of the CFS

Let's talk for a minute about my role in all of this. As the Command Financial Specialist, let them know your branch of service’s roles of the CFS. You could summarize this by saying that when it comes to financial issues, I am the “go-to” person!

**INSTRUCTOR NOTE:** You will need to update the slide to include your branch of service CFS roles.

How the CFS Can Help You

So what, specifically, can I do for you? I can help you with:

- **Money Management:** Whether you need some basic education on budgeting and spending plans, or whether you’re looking to improve your system, I can help.

- **Debt Management:** Whether you have taken on too much debt and are having trouble or are trying to establish credit for the first time, I can help.

- **Touchpoints:** When you receive a message to review a financial Touchpoint, I have the resources to assist you.

- **Saving on Major Purchases:** Thinking of buying a car? I have information that could save you hundreds, if not thousands, of dollars. I can help.

- **Consumer Awareness:** Have you been ripped off? Did someone sell you something that doesn’t work or misrepresent a purchase? I can help.

- **Saving and Investing Information:** Wondering if you should participate in the Thrift Savings Plan? Want to start saving for emergencies? Do you want to learn about investing? I can provide you with knowledge.

- **Retirement Choices:** I know retirement seems like a long way off, but the sooner you start saving, the less you’ll need to save in the long run, and the more your money will grow. I can provide you with information about TSP and the Blended Retirement System.

- **Referrals to Military and Community Resources:** Even if you don’t think I can help, I probably can help. I’ve had extensive training regarding all the people out there who can help with different types of problems — so tell me what is going on, and give me a chance to get you to the people who can help, just in case I can’t.
• **Screenings:** Hoping to take overseas orders or special duty orders? Wanting to move off base and collect BAH? I can help you with the financial screenings that must accompany your packages!

• **Financial Requirements for Transition:** Planning to leave the military soon? You will be required to complete a budget in preparation for your transition. I can help you to think about the budget changes that you might see when transitioning such as increased income taxes.

---

### Resources

Provide a list of local resources that can assist Service members in your area.

**INSTRUCTOR NOTE:** You will need to update the slide to include local resources that can assist Service members.

---

### Invitation

In conclusion, invite participants to come see you. Let them know whether they will need an appointment or can stop by for an informal chat.

Encourage them to join any financial training you will be offering or that is offered by your base’s PFMs. Provide a schedule, if possible. Explain that command members don’t need to have a financial “problem” to talk with you, but that if they do have one, you can help. Suggest to participants that they let you help them build wealth and establish financial security.

---

### Contact Information

Time to let them know how to reach you and any other CFS at the command. You may consider using photos to help them identify and remember you.

**INSTRUCTOR NOTE:** Update the slide with your contact information and the contact information for any other CFSs at your command.
Appendix I - Command Leadership Brief
I. INTRODUCTION

This presentation is designed to tell command leadership clearly and concisely about your branch of service’s PFM program and your role as a Command Financial Specialist. The brief should take about 5 minutes. Be prepared to explain your plan of action, both immediate and long term, and ask for the support you require to run an effective and proactive command PFM program.

INSTRUCTOR NOTE: There are sections of the PowerPoint that you must update for your branch of service. Updates are noted using an INSTRUCTOR NOTE: such as this one.
Introduce Self

Explain that you recently completed the Command Financial Specialist Training Course and would like to speak with leadership about the command’s Personal Financial Management Program.

PFM Program Topics

Explain that your branch of service has an instruction which provides the official way in which the PFM program must be run.

The instruction promotes operational readiness, personal responsibility, reliability, morale and quality of life by providing knowledge, skills and counseling to its members regarding sound personal financial-management practices. This is done by providing basic consumer education and training to personnel, training for all command personnel on sound financial-management issues, current financial information and publications, and preventive and remedial counseling. The Command Financial Specialist is responsible for implementing a proactive PFM program at the command.

INSTRUCTOR NOTE: You will need to update the slide to include your branch of service PFM Instruction.

The Roles of a CFS

Describe your branch of service’s main roles as dictated by your PFM instruction.

INSTRUCTOR NOTE: You will need to update the slide to include your branch of service CFS roles. You will need to update the slide to include your branch of service PFM Program Policy Reference and your CFS roles.
Benefits of CFS Program

Studies and experience have shown that the benefits of a well-run and supported Command Financial Specialist/PFM program are many, including:

1. Improved morale and retention, through education on financial issues, including saving and investing and retirement planning
2. Increased productivity, because Service members’ minds are on their work and not on their financial problems
3. Reduced number of Letters of Intent due to better financial management
4. Decreased number of NJPs
5. Decrease in marital problems (the No. 1 reason couples fight is money)
6. Decreased administrative traffic while deployed
7. Financially secure Service members

Plan of Action

At this point in developing the CFS program at this command, summarize what you plan to do. Be concise and prioritize these actions and plans.

1. What are your initial actions for the CFS program?
2. What are your long-term plans?

Refer to CFS Student Manual CFS 15: Developing Your Program for help in determining your Plan of Action.

Support Requirements

In order to carry out this plan of action, I will need the following support: This is your time to let command leadership know what support you need. Use your time wisely. Examples: Subscriptions to magazines/newspapers, time off for regularly scheduled trainings/opportunities, help getting added to the check-in/check-out sheet, etc.

Contact Information

This is where you wrap this up.

Are there any questions or comments regarding my plans for the Command Personal Financial Management program? Thank you for your time.

INSTRUCTOR NOTE: Update the slide with your contact information and the contact information for any other CFSs at your command.
Command Indoctrination Brief

Topics

PFM Program
Implications of Sound Financial Management
Roles of CFS
How I Can Help You
Resources
Invitation
PFM Program

PFM Program Instructions

• (Insert Branch of Service PFM Instruction)
• Command Instruction

Implications of Financial Problems

Negative Evaluations
Loss of Promotion
Loss of Security Clearance
Loss of Overseas Assignment
Reduction in Rank
NJP
Administrative Discharge
Implications of Sound Financial Management

Less Stress
More Money in Savings
Better Quality of Life
More of the Things You Want
Financial Security
Build Wealth…

Roles of the CFS

Insert Branch of Service Roles
### How the CFS Can Help You

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<td>Financial Requirements for Transition</td>
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### Resources

- Insert name and contact information for key local financial resources.
Invitation

• Come and talk to me
  ✓ Appointment
  ✓ Informal

• Attend financial training
• You don’t need to have a problem
• If you do have financial issues — I CAN HELP!
• Let me help you build wealth and establish financial security

Contact Information

• Include names and contact information of CFS
Command Leadership Brief

Topics

(Insert Branch of Service Instruction)
Basic Consumer Education and Training
Training on Financial Management
Current Financial Information and Publications
Preventive and Remedial
The Roles of a CFS

• Insert your branch of service
  PFM policy reference

• Insert your branch of service
  CFS Roles in bullet format

Benefits of CFS Program

- Improve morale, increase retention
- Increase productivity
- Decrease number of Letters of Intent
- Decrease number of NJPs
- Decrease admin. traffic while deployed
- Financially secure Service members
Contact Information

- Include names and contact information of CFS
Approved Financial Resources for Installation Financial Education and Training

Appendix J
Approved Financial Resources for Installation Financial Education

US NAVY AND US MARINE CORPS GUIDELINES

Use of non-governmental educational material and presenters is governed by OPNAVINST 1740.5 (series) and Marine Corps Order (MCO) 1700.37. Meetings on DoD installations of private, non-profit, tax exempt organizations that involve commercial solicitation are governed by the DODI 1344.07 - Personal Commercial Solicitation on DoD Installations, and the SECNAVINST 1740.2F - Solicitation And The Conduct of Personal Commercial Affairs on Department of The Navy Installations.

Before using a qualified non-government organization for educational material and presentations, it is advised that you review OPNAVINST 1740.5D to ensure the organization complies with the conditions set forth.

According to OPNAVINST 1740.5D 7.i.(5), Commanders, COs, and OICs will, “Obtain a review and recommendation from the servicing FFSC’s financial educator and counselor, an opinion from the local representative of the SJA, and approval from the installation CO per references (d) and (e) prior to granting authorization for any personal financial management presentation on base offered by a commercial or other entity not specifically authorized under reference (e). Per reference (a), when services from non-governmental organizations are utilized, DoD service providers must monitor them throughout the duration of instruction given.

Notes to consider:

Navy and Marine Corps have instituted robust Personal Financial Management programs. Commanders may have limited need or interest in supplemental financial education services. In accordance with Department of Defense Instruction 1344.07 Personal Commercial Solicitation on DOD Installations, approved non-profit entities may offer financial education presentations and training under the following conditions:

- Presentations shall only be conducted at the express request of the installation commander. The organization may not make initial contact in an attempt to gain installation access to provide financial education.
- Personnel from the organization are prohibited from entering into an ongoing business relationship with military members. If the member requests such a relationship, the organization’s personnel must deny the request, and refer the member to installation Personal Financial Management staff for further information.
- Personnel from the approved organization must use appropriate disclaimers, in their presentations and on their other educational materials, to include brochures and PowerPoint presentations, which clearly indicate that they and the Department of Defense do not endorse or favor any commercial supplier, product, or service or promote the services of a specific financial institution.
- The organization must continue to meet criteria required by DODI 1344.07 to offer financial education per local commanders’ requests.
- For organizations with an approval letter, the approval is typically effective for five years from the date of the letter. However, if there are any reported violations of the conditions, authorization will be revoked.
US ARMY GUIDELINES
The Department of the Army is governed by DODI 1344.07 in the use of non-governmental education material and presenters. The Army maintains a list of qualified non-government organizations that are allowed to present educational programs or materials to Army staff or a command. The command should not use financial organizations that are not on the Army’s qualified list and have not been vetted by the Army. The Army process for using a qualified non-government organization for educational material and presentations include:

- A letter of request for the educational organization
- Army approval in writing to the letter from a Presidentially-appointed, Senate-confirmed civilian official
- An expressed invitation from the installation commander to the educational organization for presentations

The Army has a robust Financial Literacy Training Program on its installations. For more information on the Army’s Financial Literacy Distributed Learning Training, visit the FinancialFrontline.org.

US COAST GUARD GUIDELINES
Use of non-governmental financial educational material and presenters is governed by COMDTINST 1740.3 (series) and COMDTINST 1740.8 (series). The Coast Guard maintains a list of qualified non-government organizations that have been approved by Commandant (CG-111).

Commanding Officers, Officers in Charge and staff can use non-government, non-commercial, tax-exempt Personal Financial Management (PFM) educational material and presenters as long as the non-federal organization and its educational material have been approved by Commandant (CG-111) in accordance with COMDTINST 1740.3 (series).

When financial institutions (e.g., banks and credit unions), operating on Coast Guard bases, in Coast Guard federal buildings, and other non-governmental organizations are used to provide financial education, they shall comply with the conditions set forth in COMDTINST 1740.3 (series). Furthermore, when a non-government organization is utilized, Coast Guard service providers shall monitor them throughout the duration to ensure compliance with COMDTINST 1740.3 (series).

Conditions for Retaining Designation:
Once designated as a qualified organization, that organization will be permitted to present educational programs and materials to Coast Guard staff or a command provided they comply with the following conditions:

a. Presentations shall be conducted and materials shall be provided only at the express request of a unit commander or staff supervisor.

b. All agents and employees of the organization involved in the presentation of materials must be certified by the organization as a qualified trainer, facilitator or presenter, and must comply with all participation rules.

c. All prospective trainers, facilitators, and presenters must agree to use appropriate disclaimers clearly indicating that they do not endorse or favor any commercial supplier, product or service.

d. All presentations and educational materials must use appropriate disclaimers clearly indicating that the Coast Guard does not endorse or favor any commercial supplier, product or service.
e. Pamphlets, booklets and other material or information provided to attendees or participants may not contain any solicitation or sales material, nor may it be presented in a biased way so as to favor any commercial entity’s products or services.

f. No sales or solicitation activity may be conducted during any seminars or presentations made by the organization or its representatives. In addition, no references to, or opinions about, other commercial entity’s products or services may be provided.

g. Names, addresses and phone numbers of Coast Guard personnel attending seminars or presentations may not be retained by the organization or be disseminated to any organization or commercial entity.

h. Participation will be non-exclusive, in that any other qualified organization participate in these programs at the sole discretion of the Coast Guard.

i. All services provided by the qualified organization must be cost-free to seminar participants.

j. Any qualified organization that discovers non-compliant activity within their program shall immediately notify Commandant (CG-111) of that activity and the organization’s corrective action.

k. A copy of all educational material and curriculum presented must be provided to Commandant (CG-111) prior to its presentation.

l. All qualification, participation and termination decisions are made by Commandant (CG-111). The current list of qualified non-government organizations was issued in May 2020. Check with the Point of Contact for updates: Commandant (CG-1112) at HQS-SMB-FamilySupportServices@uscg.mil

**COAST GUARD QUALIFIED NON-GOVERNMENT ORGANIZATIONS (PER COMDTINST 1740.3)**

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<tr>
<th>#</th>
<th>NAME OF ORGANIZATION</th>
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<tbody>
<tr>
<td>1</td>
<td>Adult Continuing Education and Career Advancement Resource (ACECAR) Network</td>
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<td>2</td>
<td>First Command Educational Foundation</td>
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<td>3</td>
<td>Guardian Federal Credit Union</td>
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<td>4</td>
<td>Military Officers Association of America</td>
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<td>5</td>
<td>Musgrave, James C., Ellicott City, MD</td>
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<td>6</td>
<td>Navy Federal Credit Union</td>
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<td>7</td>
<td>Navy Mutual Aid Association</td>
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<td>8</td>
<td>National Association of Securities Dealers (NASD) Investor Education Foundation</td>
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<td>9</td>
<td>Pentagon Federal Credit Union</td>
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<td>10</td>
<td>The Society for Financial Awareness</td>
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<td>11</td>
<td>The USAA Educational Foundation</td>
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<td>12</td>
<td>Financial Industry Regulatory Authority (FINRA) Investor Education Foundation</td>
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<td>13</td>
<td>National Foundation for Credit Counseling (NFCC)</td>
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<td>14</td>
<td>Sea West Coast Guard Federal Credit Union</td>
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<tr>
<td>15</td>
<td>Hanscom Federal Credit Union (HFCU)</td>
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<td>16</td>
<td>Support the Enlisted Project, Inc. (STEP)</td>
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